

Great Day, Inc.
604 Kimbrough Drive
Tallulah, LA 71282

Invoice

Date	Invoice #
1/14/2013	47416

Bill To

Pickup Specialties.com
2445 FM 2920 Road
Spring, TX 77388

Ship To

Nicholas Ambrose
7945 SE 57th DR
Okeechobee, FL 34974

PAID
01/09/2013

Account #	S.O. No.	P.O. Number	Terms	Rep	Ship Date	Via	Freight Terms	Delivered To
BPICKU	40384	176776	Credit Card Pmt.	530	1/9/2013	UPSR	ppa	

Item Code	Description	Qty Ordered	Qty Shipped	Qty B/O.	Price Each	Class	Amount
HNR1000T	HNR1000 HITCH-N-RIDE FOR TRUCKS W/ 2" REC.	1	1		118.00		118.00
Handling Fee			1		2.95		2.95
Freight					37.28		37.28
	TR#1zv740f80354451548						

Thank you for your business.

Total

\$158.23

Phone #	Fax #	E-mail	Web Site
318-574-5003	318-574-5742	shouston@greatdayinc.com	www.greatdayinc.com

USER NAME

PASSWORD

LOG IN

[Forgot Username?](#)

[Forgot Password?](#)

[Create an Account](#)

Exclusion Summary

RETURN TO SEARCH

Exclusion Summary

Exclusion Summary

There may be instances when an Individual or Firm has the same or similar name as your search criteria, but is actually a different party. Therefore, it is important that you verify a potential match with the excluding agency identified in the exclusion's details. To confirm or obtain additional information, contact the federal agency that took the action against the listed party. Agency points of contact, including name and telephone number, may be found by navigating to the Agency Exclusion POCs page within SAM Help.

View Exclusion History

Current Record

VIEW HISTORICAL RECORD

PRINT

[\[Expand All\]](#)

[\[Collapse All\]](#)

Current Record Details

Identification Information:

Organization Name:

FEDERAL VERIFICATION CO INC

DUNS:

008295457

CAGE Code:

NPI:

Exclusion Details:

Exclusion Program:

Reciprocal

Classification Type:

Firm

[Exclusion Type:](#)

Ineligible (Proceedings Pending)

Nature (Cause):

Preliminary ineligible based upon adequate evidence of conduct indicating a lack of business honesty or integrity, or a lack of business integrity, or regulation, statute, executive order or other legal authority, pending completion of an investigation and/or legal proceedings; or based upon initiation of proceedings to determine final ineligibility based upon regulation, statute, executive order or other legal authority or a lack of business integrity or a preponderance of the evidence of any other cause of a serious and compelling nature that it affects present responsibility.

Effect:

Procurement:

Agencies shall not solicit offers from, award contracts to renew, place new orders with, or otherwise extend the duration of current contracts, or consent to subcontracts in excess of \$30,000 (other than commercially available off-the-shelf items (COTS)), with these contractors unless the agency head (or designee) determines in writing there is a compelling reason to do so.

Nonprocurement:

No agency in the Executive Branch shall enter into, renew, or extend primary or lower tier covered transactions to a participant or principal determined preliminarily ineligible unless the head of the awarding agency grants a compelling reasons exception in writing. Additionally, agencies shall not make awards under certain discretionary Federal assistance, loans, benefits (or contracts there under); nor shall an ineligible person participate as a principal, including but not limited to, agent, consultant, or other person in a position to handle, influence or control Federal funds, or occupying a technical or professional position capable of substantially influencing the development or outcome of a funded activity; nor act as an agent or representative of other participants in Federal assistance, loans and benefits programs. Contact the award agency for questions regarding the extent of Nonprocurement transaction award ineligibility. The termination date will be listed as "Indefinite" (Indef.) unless otherwise specified.

[CT Code:](#)

Active Date:

09/30/2015

Termination Date:

Indefinite

Excluding Agency :

[GENERAL SERVICES ADMINISTRATION](#)

Status :

Active

Create Date :

10/01/2015

Update Date :

10/01/2015

Additional Comments:

Primary Address:

Street Address 1:

3937 TAMPA RD STE 5

Street Address 2:

City:

OLDSMAR

State/Province:

FL

ZIP/Postal Code:

34677

Country:

UNITED STATES

Cross-References:**Contract Award Services**

Cross-Reference Type: fka
Excluding Agency: GENERAL SERVICES ADMINISTRATION
Exclusion Type: Ineligible (Proceedings Pending)
Active Date: 09/30/2015 Termination Date: Indefinite

The Verification Co.

Cross-Reference Type: fka
Excluding Agency: GENERAL SERVICES ADMINISTRATION
Exclusion Type: Ineligible (Proceedings Pending)
Active Date: 09/30/2015 Termination Date: Indefinite

GSA Discount

Cross-Reference Type: fka
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Active Date: 09/30/2015 Termination Date: Indefinite

Bridgewater Consulting Group

Cross-Reference Type: fka
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GSA Schedule Aid

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USA Strategy Group

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GSA Preview

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Active Date: 09/30/2015 Termination Date: Indefinite

K&J's Managed Solutions

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GSA Processors Co.

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Active Date: 09/30/2015 Termination Date: Indefinite

National GSA Consultants

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Service GSA

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National Procurement Center

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GSA Schedule Service

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American Strategy Consultants

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Active Date: 09/30/2015 Termination Date: Indefinite

Government Consulting Specialists

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GDI

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Fed Government Consultant

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Rapid GSA

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The Government Awards Consulting

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GSA South Carolina

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GSA APPLICATION SERVICES
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Active Date: 09/30/2015 Termination Date: Indefinite
ALLIANCE PUBLISHING
Cross-Reference Type: Cross Reference
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James Sprecher
Cross-Reference Type: Cross Reference
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Exclusion Type: Ineligible (Proceedings Pending)
Active Date: 08/12/2015 Termination Date: Indefinite
LEWISBURG GROUP, INC., THE
Cross-Reference Type: Cross Reference
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Active Date: 09/30/2015 Termination Date: Indefinite
GOVERNMENT VERIFICATION COMPANY
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CREATIVE CONCEPT GROUP, LLC
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GSA Pennsylvania
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GSA Awards
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Federal Suppliers Guide Inc.
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Target GSA
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Fed Government Advisors
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GSA London
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Advisory Organization
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GSA Processing Group
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GSA Dallas
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Tampa GSA
Cross-Reference Type: fka

Excluding Agency: GENERAL SERVICES ADMINISTRATION
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Government Consulting Corp
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GSA Alliance
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Government Marketing Advisors
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GSA Consultants Online
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FEMA Today
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PJP TAMPA ROAD, LLC
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National Processing Center
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Tampa Bay GSA

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GSA Consultants
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United Strategy Consultants
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Commercial Connections & Research Center
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Fed Government Consultants
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GSA Pittsburgh
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Federal Suppliers Guide
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The GSA Specialists
 Cross-Reference Type: fka
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 Exclusion Type: Ineligible (Proceedings Pending)
 Active Date: 09/30/2015 Termination Date: Indefinite
Professional Government Preparation
 Cross-Reference Type: fka
 Excluding Agency: GENERAL SERVICES ADMINISTRATION
 Exclusion Type: Ineligible (Proceedings Pending)
 Active Date: 09/30/2015 Termination Date: Indefinite

More Locations:
 No Locations



Exhibit List
Response to Notice of Suspension of James D. Sprecher

- A. Temporary Injunction- Federal Verification v. Price, et al., Case #13-010178-7, Circuit Court of Pinellas County, Florida.
- B. Order on Plaintiff's Motion for Contempt- Federal Verification v. Price, et al., Case #13-010178-7, Circuit Court of Pinellas County, Florida.
- C. Complaint for Injunctive and other Statutory Relief. Office of the Attorney General, Case #14-CA-8205-CI-11, Circuit Court of Pinellas County, Florida.
- D. Answer and Affirmative Defenses of Defendants, Case #14-CA-8205-CI-11, Circuit Court of Pinellas County, Florida.
- E. Federal Verification Client Assistance Agreement-Form
- F. Client GSA schedule acknowledgement form.
- G. Summary of Application Stages.
- H. I-FSS-106 Guaranteed Minimum (Jul 2003)



September 30, 2015

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. James D. Sprecher
Federal Verification Co., Inc. d/b/a GSA Application Services
3925 Tampa Road
Oldsmar, FL 34667

Re: Notice of Suspension of Federal Verification Co, Inc. and all associated fictitious names

Dear Mr. Sprecher:

You are hereby notified that the General Services Administration (GSA) has suspended Federal Verification Co., Inc d/b/a GSA Application Services (FVC) and all associated fictitious names from participation in Federal procurement and nonprocurement programs.

FVC has done business under more than 60 different fictitious names. Therefore, the scope of this suspension includes all of FVC's current and previously used names, including: Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors; GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA

Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service.

The suspension has been implemented pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4, the General Services Administration Manual (GSAM) Subpart 509.4, the Federal Management Regulation (FMR) sections 102-38.170 and 102-38.175, and 41 C.F.R. Part 105-68. Copies of the FAR, GSAM, and FMR are available on the Internet at www.gsa.gov: under the "WHAT GSA OFFERS" tab, click on "Regulations: FMR, FTR, & FAR". 41 C.F.R. Part 105-68 is GSA's implementation of the Nonprocurement Common Rule, referenced in FAR 9.401, and is also available on the Internet. If you do not have access to the Internet and wish to receive hard copies of any of the regulations referenced above, please provide a written request to the designated contact below.

The suspension is based on information provided by GSA's Office of Inspector General and the administrative record. The information indicates that FVC lacks the present responsibility to be a Government contractor and provides a basis for its suspension.

The suspension is effective immediately and is a temporary measure pending the completion of legal proceedings against FVC in the Circuit Court of the Sixth Judicial Circuit for Pinellas County, Florida. A summary of the information on which the suspension is based is set forth below:

On November 4, 2014, the Florida Attorney General filed a Civil Complaint (Complaint) against FVC. The Complaint seeks relief under the Florida Deceptive and Unfair Trade Practices Act, F.S. §501.204(1). The Complaint asserts that FVC made "material false statements and misrepresentations to businesses," and that "[FCV has] engaged in deceptive and unfair acts and practices in trade or commerce."

Since 2010, the Florida Attorney General's Office has received over 200 customer complaints alleging misleading business practices against FVC and other associated business names.

The Complaint asserts that FVC solicited businesses via telemarketing throughout the United States. The telemarketers falsely identified themselves to customers as GSA employees or as being closely affiliated with GSA. During these cold-calls, FVC offered to prepare and submit GSA Schedule applications on behalf of the solicited businesses. Furthermore, during these phone calls, FVC often drastically overstated the likelihood of obtaining a GSA Schedule award. These misrepresentations included guarantees such as "assuring the business that it qualifies for a five-year to twenty-year GSA Contract award," and that "there are government-guaranteed minimum revenues upon a contract award; and a 100% guaranteed return on investment." Additionally, FVC claimed that the Government has a limited number of openings available for GSA Schedule positions, and that the Government rotates work among GSA Schedule holders so that every company is guaranteed business. After making these claims, FVC

sought advance fees from the solicited businesses. These fees ranged from \$2,500 to \$10,000.

The Complaint also claims that FVC failed to conduct any due diligence on their customers and "repeatedly assured [their customers] that they are qualified and would get a GSA Contract . . . in an effort to induce the sale, regardless of the type of business or the products or services to be offered for sale to the U.S. government."

Consequently, despite FVC's affirmative assurances, many of FVC's customers later discovered that they were ineligible for GSA Schedule approval. Moreover, FVC often failed to submit their customers' GSA Schedule applications at all.

FVC's alleged actions and the Complaint provide the bases for its suspension under FAR 9.407-2(a)(9) and FAR 9.407-2(c).

The decision to suspend FVC is effective the date of this notice and has the following consequences during the period of suspension:

1. The company name, Federal Verification Co., Inc. and all associated fictitious names, will be published as ineligible on the System for Award Management (SAM), a GSA administered website (<http://www.sam.gov>). Your proposed suspension is effective throughout the Executive Branch of the Federal government and applies to procurement and non-procurement programs.
2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for FVC by any agency in the Executive Branch of the Federal government, unless the head of the agency taking the contracting action or a designee states, in writing, the compelling reason for continued business dealings between FVC and the agency.
3. FVC may not conduct business with the Federal government as an agent or representative of other contractors or of participants in Federal assistance programs, nor may it act as an individual surety to other Government contractors.
4. No Government contractor may award to FVC a subcontract equal to or in excess of \$30,000, unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).
5. No agency in the Executive Branch shall enter into, renew, or extend primary or lower-tier covered transactions in which FVC is either a participant or principal unless the head of the agency grants an exception in writing. (Covered transactions defined at 41 C.F.R. Section 105-68).
6. FVC's affiliation with, or relationship to, any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization as a Government contractor or subcontractor.

Within thirty (30) calendar days after receipt of this notice, a representative acting on behalf of FVC may submit, either in person, or in writing, or both, information and argument in opposition to the suspension. Please notify the below designated contact, in writing, of the identity of the representative and specifically state the names and addresses of all individuals and/or companies the designee has the authority to represent in this matter.


FVC's written submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information or argument submitted raises a genuine dispute over material facts, fact finding may be conducted to determine the disputed facts, in accordance with GSAM 509.406-3(d)(3). Facts set forth in an Indictment or Criminal Information, however, are not subject to dispute in this suspension proceeding.

If a FVC representative intends to present information and argument to me in person, an oral presentation will be scheduled to occur within twenty (20) days after receipt of the request, unless a longer period of time is requested.

This suspension has been ordered on the basis of an administrative record, a copy of which will be furnished upon request. Any information submitted by FVC or by the Federal government will become part of the administrative record.

Any communication regarding this matter should be directed to Rachel Murdock at (202) 501-1853, or by e-mail at Rachel.Murdock@GSA.gov. Written submissions should be sent to the above e-mail address. If you do not have e-mail access, you may forward a written submission to Rachel Murdock's attention at Suspension & Debarment Division (MVAB), Office of Government-wide Policy (M), U.S. General Services Administration, 1800 F Street, NW, Room 2232, Washington, DC 20405.

Sincerely,



Maria C. Swaby
Suspension and Debarment Official



CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. James D. Sprecher
Federal Verification Co., Inc. d/b/a GSA Application Services
3925 Tampa Road
Oldsmar, FL 34667

Re: Notice of Suspension of Federal Verification Co, Inc.

Dear Mr. Sprecher:

You are hereby notified that the General Services Administration (GSA) has suspended Federal Verification Co., Inc d/b/a GSA Application Services (FVC) from participation in Federal procurement and nonprocurement programs.

FVC has done business under more than 60 different fictitious names. Therefore, the scope of this suspension includes all of FVC's current and previously used names, including: Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors; GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service.

The suspension has been implemented pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4, the General Services Administration Manual (GSAM) Subpart 509.4, the Federal Management Regulation (FMR) sections 102-38.170 and 102-38.175, and 41 C.F.R. Part 105-68. Copies of the FAR, GSAM, and FMR are available on the Internet at www.gsa.gov: under the "WHAT GSA OFFERS" tab, click on "Regulations: FMR, FTR, & FAR". 41 C.F.R. Part 105-68 is GSA's implementation of the Nonprocurement Common Rule, referenced in FAR 9.401, and is also available on the Internet. If you do not have access to the Internet and wish to receive hard copies of any of the regulations referenced above, please provide a written request to the designated contact below.

The suspension is based on information provided by GSA's Office of Inspector General and the administrative record. The information indicates that FVC lacks the present responsibility to be a Government contractor and provides a basis for its suspension.

The suspension is effective immediately and is a temporary measure pending the completion of legal proceedings against FVC in the Circuit Court of the Sixth Judicial Circuit for Pinellas County, Florida. A summary of the information on which the suspension is based is set forth below:

On November 4, 2014, the Florida Attorney General filed a Civil Complaint (Complaint) against FVC. The Complaint seeks relief under the Florida Deceptive and Unfair Trade Practices Act, F.S. §501.204(1). The Complaint asserts that FVC made "material false statements and misrepresentations to businesses," and that "[FCV has] engaged in deceptive and unfair acts and practices in trade or commerce."

Since 2010, the Florida Attorney General's Office has received over 200 customer complaints alleging misleading business practices against FVC and other associated business names.

The Complaint asserts that FVC solicited businesses via telemarketing throughout the United States. The telemarketers falsely identified themselves to customers as GSA employees or as being closely affiliated with GSA. During these cold-calls, FVC offered to prepare and submit GSA Schedule applications on behalf of the solicited businesses. Furthermore, during these phone calls, FVC often drastically overstated the likelihood of obtaining a GSA Schedule award. These misrepresentations included guarantees such as "assuring the business that it qualifies for a five-year to twenty-year GSA Contract award," and that "there are government-guaranteed minimum revenues upon a contract award; and a 100% guaranteed return on investment." Additionally, FVC claimed that the Government has a limited number of openings available for GSA Schedule positions, and that the Government rotates work among GSA Schedule holders so that every company is guaranteed business. After making these claims, FVC and GSA 1000 sought advance fees from the solicited businesses. These fees ranged from \$2,500 to \$10,000.

The Complaint also claims that FVC failed to conduct any due diligence on their customers and “repeatedly assured [their customers] that they are qualified and would get a GSA Contract . . . in an effort to induce the sale, regardless of the type of business or the products or services to be offered for sale to the U.S. government.” Consequently, despite FVC’s affirmative assurances, many of FVC’s customers later discovered that they were ineligible for GSA Schedule approval. Moreover, FVC often failed to submit their customers’ GSA Schedule applications at all.

FVC’s alleged actions and the Complaint provide the bases for its suspension under FAR 9.407-2(a)(9) and FAR 9.407-2(c).

The decision to suspend FVC is effective the date of this notice and has the following consequences during the period of suspension:

1. The company name, Federal Verification Co., Inc. and all associated fictitious names, will be published as ineligible on the System for Award Management (SAM), a GSA administered website (<http://www.sam.gov>). Your proposed suspension is effective throughout the Executive Branch of the Federal government and applies to procurement and non-procurement programs.
2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for FVC by any agency in the Executive Branch of the Federal government, unless the head of the agency taking the contracting action or a designee states, in writing, the compelling reason for continued business dealings between FVC and the agency.
3. FVC may not conduct business with the Federal government as an agent or representative of other contractors or of participants in Federal assistance programs, nor may it act as an individual surety to other Government contractors.
4. No Government contractor may award to FVC a subcontract equal to or in excess of \$30,000, unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).
5. No agency in the Executive Branch shall enter into, renew, or extend primary or lower-tier covered transactions in which FVC is either a participant or principal unless the head of the agency grants an exception in writing. (Covered transactions defined at 41 C.F.R. Section 105-68).
6. FVC’s affiliation with, or relationship to, any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization as a Government contractor or subcontractor.

Within thirty (30) calendar days after receipt of this notice, a representative acting on behalf of FVC may submit, either in person, or in writing, or both, information and argument in opposition to the suspension. Please notify the below designated contact, in writing, of the identity of the representative and specifically state the names and addresses of all individuals and/or companies the designee has the authority to represent in this matter.

FVC's written submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information or argument submitted raises a genuine dispute over material facts, fact finding may be conducted to determine the disputed facts, in accordance with GSAM 509.406-3(d)(3). Facts set forth in an Indictment or Criminal Information, however, are not subject to dispute in this suspension proceeding.

If a FVC representative intends to present information and argument to me in person, an oral presentation will be scheduled to occur within twenty (20) days after receipt of the request, unless a longer period of time is requested.

This suspension has been ordered on the basis of an administrative record, a copy of which will be furnished upon request. Any information submitted by FVC or by the Federal government will become part of the administrative record.

Any communication regarding this matter should be directed to Rachel Murdock at (202) 501-1853, or by e-mail at Rachel.Murdock@GSA.gov. Written submissions should be sent to the above e-mail address. If you do not have e-mail access, you may forward a written submission to Rachel Murdock's attention at Suspension & Debarment Division (MVAB), Office of Government-wide Policy (M), U.S. General Services Administration, 1800 F Street, NW, Room 2232, Washington, DC 20405.

Sincerely,

Maria C. Swaby
Suspension and Debarment Official

Federal Verification Co/GSA Processors SAM exclusions abstract

Issue: It came to our attention recently that "GSA Processors" and other related excluded parties have been acting as agents and representatives for contractors contracting and seeking to contract with GSA. Individuals connected with this company, possibly in leadership roles, have also continued to act as agents, both as individuals and as part of offshoot companies. The individuals and offshoot companies often conduct business using the same email addresses.

Discussion: GSA Contract Specialist David Blankenship came across information while working an offer submitted for a Professional Services Schedule Contract indicating that the consulting firm Federal Verification Company was on the excluded party list. The offeror was CEMSOL, eOffer 60485. Please see the attached SAM exclusion report that cites both subject companies, as well as other aliases they are/were working under, paying particular attention to the highlights.

It appears GSA initiated the exclusion effective 09/30/2015. However, [three] consultants that we have worked/are working with still use the *GSA Processors* web domain/address, regardless of what entity they are currently calling themselves (Bay Area Services and Support, etc). Please see screenshot below:

RE: Updates to your offer (JOAOE9TE) (CEMSOL LLC) may be required Inbox x

Louanne

lfernandes@gsaprocessors.com

Louanne

Apr 6 (7 days ago)

to me

David

The offer has been updated to the current refresh. Thanks

LouAnne Fernandes
Submission Department Manager
727-228-7510 Direct Line
lfernandes@gsaprocessors.com

From: David Blankenship - 10Q1SFAC [mailto:david.blankenship@gsa.gov]

Sent: Tuesday, April 05, 2016 4:15 PM

To: scirulli@cemsol.com; dcirulli@cemsol.com

Cc: Shelley Drexler; lfernandes@gsaprocessors.com; jvabre@gsaprocessors.com

Subject: Re: Updates to your offer (JOAOE9TE) (CEMSOL LLC) may be required

ALCON.

The Contracting Officer is requesting a response to the previous email (listed below). If you choose *not* to submit your offer under the current refresh (#24) in eOffer, then we

On 4/12/2016, consultant LouAnne Fernandes emailed Contract Specialist Lisa Delaney stating the prior company (GSA Processors) is no longer in business and that her company recently bought the accounts. Ms. Fernandes sent the email from a GSA Processors email address:

Fwd: Request for Final Proposal Revision Letter

Inbox x



L Lisa Delaney - 10Q1SFCA
to me, Clint

Apr 12 (1 day ago)



FYI - Please see following email from a Consultant at GSA Processors. I am not planning on responding to the Consultant and have asked the firm to withdraw their offer and resubmit.

Lisa

----- Forwarded message -----

From: LouAnne <lfernandes@gsaprocessors.com>

Date: Tue, Apr 12, 2016 at 5:45 AM

Subject: RE: Request for Final Proposal Revision Letter

To: Lisa Delaney - 10Q1SFCA <lisa.delaney@gsa.gov>, Danaya Benedetto <danayab@coloradohazard.com>

Lisa

I just received an email stating that Colorado Hazard Company offer will be rejected due to the fact that the company that submitted the offer is on the excluded parties list. As you can see this offer was submitted back in 2014 and yes that company is no longer in business, as my company recently bought these accounts and has a new agent authorization letter that can be submitted also I am not quite sure how this would affect the client getting awarded a contract award if they are working directly with you? Please advise.

LouAnne Fernandes
Submission Department Manager
727-228-7510 Direct Line
lfernandes@gsaprocessors.com

From: Lisa Delaney - 10Q1SFCA [mailto:lisa.delaney@gsa.gov]

Sent: Monday, April 11, 2016 3:19 PM

To: Danaya Benedetto

Cc: LOUANNE FERNANDEZ

Subject: Request for Final Proposal Revision Letter

Good Afternoon,

Please find the attached Request for Final Proposal Revision Letter. Please submit your responses on your company letterhead and make sure that the letter is signed by an authorized negotiator. I have asked for a response by April 13, 2016. If you have any questions regarding the letter, please feel free to contact me.

Thank you,

Lisa

The firm is providing new agent authorization letters from Bay Area Services and Support LLC with the same three authorized negotiators:



For Solicitation No. **SOLICITATION # 7FCB-H2-070541-B**, the undersigned contractor Joseph C Panepinto with Creative Peak Media, LLC DBA Snowy Peak Entertainment, hereby authorizes LouAnne Fernandes, Shelley M Drexler and James C Vabre with Bay Area Services and Support LLC, to act as agent for the said contractor, with said specific authority delegated from the contractor to the agent. The authority of the agent is limited to exact and specific delegations. You may contact LouAnne Fernandes at 727-228-7510 or louanne@bayareaservicesandsupport.com, Shelley M Drexler at 727-228-7517 or shelley@bayareaservicesandsupport.com and James C Vabre at 727-228-7509 or james@bayareaservicesandsupport.com.

(Check desired delegations)

Pre-award delegations:

- ☒ Negotiate contract
- ☒ Sign contract
- ☒ Communicate with the Government

Post-award delegations:

- ☐ Submit contract modification requests
- ☐ Negotiate contract modifications
- ☐ Sign contract modifications
- ☐ Submit GSA Advantage Pricelist



Offeror (To be signed only by authorized principal, with authority to bind the undersigned contractor)

JOSEPH C. PANEPINTO OWNER
Name (Printed) Title

4/12/2016
Date

This agent authorization letter is almost mirror image to the prior one:



For Solicitation No. 7FCB-H2-070541-B, the undersigned contractor Joseph C. Panepinto with Creative Peak Media, LLC DBA Snowy Peak Entertainment, hereby authorizes LouAnne Fernandes, Shelley M Drexler and James C Vabre with Federal Verification Co. to act as agent for the said contractor, with said specific authority delegated from the contractor to the agent. The authority of the agent is limited to exact and specific delegations. You may contact LouAnne Fernandes at 866-839-6548 or lfernandes@gsaprocessors.com, Shelley M Drexler at 866-839-6548 or sdrexler@gsaprocessors.com and James C Vabre at 866-839-6548 or jvabre@gsaprocessors.com.

(Check desired delegations)

Pre-award delegations:

- ☒ Negotiate contract
- ☒ Sign contract
- ☒ Communicate with the Government

Post-award delegations:

- ☐ Submit contract modification requests
- ☐ Negotiate contract modifications
- ☐ Sign contract modifications
- ☐ Submit GSA Advantage Pricelist

A handwritten signature in black ink, appearing to read "Joseph C. Panepinto", is enclosed within a red rectangular box.

Offeror (To be signed only by authorized principal, with authority to bind the undersigned contractor)

Joseph C. Panepinto
Name (Printed)

Owner

Title

2/17/2013
Date

Conclusion: It appears that the above-referenced individuals and the offshoot companies created after "GSA Processors" went out of business are comprised of the same individuals from the previous company. This is concerning given that "GSA Processors" has been excluded, but the individuals have bought the company accounts and are still using the same email addresses.

CSP-1 COMMERCIAL SALES PRACTICES FORMATName of Offeror: Great Day, Inc.

SIN(s): 025 101

Note: Please refer to clause 552.212-70, PREPARATION OF OFFER (MULTIPLE AWARD SCHEDULE), for additional information concerning your offer. Provide the following information for each SIN (or group of SINs or SubSIN for which information is the same).

- (1) Provide the dollar value of sales to the general public at or based on an established catalog or market price during the previous 12 month period or the offerors last fiscal year: \$50,728.73_. State beginning and ending of the 12 month period. Beginning 1-1-2013 Ending 12-31-2013. In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).
- (2) Show your total projected annual sales to the Government under this contract for the contract term, excluding options, for each SIN offered. If you currently hold a Federal Supply Schedule contract for the SIN the total projected annual sales should be based on your most recent 12 months of sales under that contract.

SIN 025 101 _____ \$ 25,000 _____;

- (3) Based on your written discounting policies (standard commercial sales practices in the event you do not have written discounting policies), are the discounts and any concessions which you offer the Government equal to or better than your best price (discount and concessions in any combination) offered to any customer acquiring the same items regardless of quantity or terms and conditions? YES X NO _____. (See definition of "concession" and "discount" in 552.212-70.)

- (4) (a) Based on your written discounting policies (standard commercial sales practices in the event you do not have written discounting policies), provide information as requested for each SIN (or group of SINs for which the information is the same) in accordance with the instructions at Figure 515.4-2, which is provided in this solicitation for your convenience. The information should be provided in the chart below or in an equivalent format developed by the offeror. Rows should be added to accommodate as many customers as required.

Column 1— Customer	Column 2— Discount	Column 3— Quantity/Volume	Column 4— FOB Term	Column 5— Concessions
Distributors	27%	None	Destination	Customers such as Home Depot, Camping World, Cabela's and Bass pro Shops receive an annual price renewal agreement for having buying patterns of high volume. 5% discount for payments made in full within 15 days.
Dealers	27%	None	Destination	5% discount for payments made in full within 15 days.

- (b) Do any deviations from your written policies or standard commercial sales practices disclosed in the above chart ever result in better discounts (lower prices) or concessions than indicated? YES ____ NO X _____. If YES, explain deviations in accordance with the instructions at Figure 515.4-2, which is provided in this solicitation for your convenience .

Schedule 23v

- (5) If you are a dealer/reseller without significant sales to the general public, you should provide manufacturers' information required by paragraphs (1) through (4) above for each item/SIN offered, if the manufacturer's sales under any resulting contract are expected to exceed \$500,000. You must also obtain written authorization from the manufacturer(s) for Government access, at any time before award or before agreeing to a modification, to the manufacturer's sales records for the purpose of verifying the information submitted by the manufacturer. The information is required in order to enable the Government to make a determination that the offered price is fair and reasonable. To expedite the review and processing of offers, you should advise the manufacturer(s) of this requirement. The contracting officer may require the information be submitted on electronic media with commercially available spreadsheet(s). The information may be provided by the manufacturer directly to the Government. If the manufacturer's item(s) is being offered by multiple dealers/resellers, only one copy of the requested information should be submitted to the Government. In addition, you must submit the following information along with a listing of contact information regarding each of the manufacturers whose products and/or services are included in the offer (include the manufacturer's name, address, the manufacturer's contact point, telephone number, and FAX number) for each model offered by SIN:
- (a) Manufacturer's Name
 - (b) Manufacturer's Part Number
 - (c) Dealer's/Reseller's Part Number
 - (d) Product Description
 - (e) Manufacturer's List Price
 - (f) Dealer's/Reseller's percentage discount from List Price or net prices

Figure 515.4-2—Instructions for Commercial Sales Practices Format

If you responded “YES” to question (3), on the COMMERCIAL SALES PRACTICES FORMAT, complete the chart in question (4)(a) for the customer(s) who receive your best discount. If you responded “NO” complete the chart in question (4)(a) showing your written policies or standard sales practices for all customers or customer categories to whom you sell at a price (discounts and concessions in combination) that is equal to or better than the price(s) offered to the Government under this solicitation or with which the Offeror has a current agreement to sell at a discount which equals or exceeds the discount(s) offered under this solicitation. Such agreement shall be in effect on the date the offer is submitted or contain an effective date during the proposed multiple award schedule contract period. If your offer is lower than your price to other customers or customer categories, you will be aligned with the customer or category of customer that receives your best price for purposes of the Price Reduction clause at 552.238-75. The Government expects you to provide information required by the format in accordance with these instructions that is, to the best of your knowledge and belief, current, accurate, and complete as of 14 calendar days prior to its submission. You must also disclose any changes in your price list(s), discounts and/or discounting policies which occur after the offer is submitted, but before the close of negotiations. If your discount practices vary by model or product line, the discount information should be by model or product line as appropriate. You may limit the number of models or product lines reported to those which exceed 75% of actual historical Government sales (commercial sales may be substituted if Government sales are unavailable) value of the special item number (SIN).

Column 1—Identify the applicable customer or category of customer. A “customer” is any entity, except the Federal Government, which acquires supplies or services from the Offeror. The term customer includes, but is not limited to original equipment manufacturers, value added resellers, state and local governments, distributors, educational institutions (an elementary, junior high, or degree granting school which maintains a regular faculty and established curriculum and an organized body of students), dealers, national accounts, and end users. In any instance where the Offeror is asked to disclose information for a customer, the Offeror may disclose information by category of customer if the offeror’s discount policies or practices are the same for all customers in the category. (Use a separate line for each customer or category of customer.)

Column 2—Identify the discount. The term “discount” is as defined in solicitation clause 552.212-70, Preparation of Offer (Multiple Award Schedule). Indicate the best discount (based on your written discounting policies or standard commercial discounting practices if you do not have written discounting policies) at which you sell to the customer or category of customer identified in column 1, without regard to quantity; terms and conditions of the agreements under which the discounts are given; and whether the agreements are written or oral. Net prices or discounts off of other price lists should be expressed as percentage discounts from the price list which is the basis of your offer. If the discount disclosed is a combination of various discounts (prompt payment, quantity, etc.), the percentage should be broken out for each type of discount. If the price lists which are the basis of the discounts given to the customers identified in the chart are different than the price list submitted upon which your offer is based, identify the type or title and date of each price list. The contracting officer may require submission of these price lists. To expedite evaluation, offerors may provide these price lists at the time of submission.

Column 3—Identify the quantity or volume of sales. Insert the minimum quantity or sales volume which the identified customer or category of customer must either purchase/order, per order or within a specified period, to earn the discount. When purchases/orders must be placed within a specified period to earn a discount indicate the time period.

Column 4—Indicate the FOB delivery term for each identified customer. See FAR 47.3 for an explanation of FOB delivery terms.

Column 5—Indicate concessions regardless of quantity granted to the identified customer or category of customer. Concessions are defined in solicitation clause 552.212-70, Preparation of Offers (Multiple Award Schedule). If the space provided is inadequate, the disclosure should be made on a separate sheet by reference.

If you respond “YES” to question 4 (b) in the Commercial Sales Practices Format, provide an explanation of the circumstances under which you deviate from your written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format and explain how often they occur. Your explanation should include a discussion of situations that lead to deviations from standard practice, an explanation of how often they occur, and the controls you employ to assure the integrity of your pricing. Examples of typical deviations may include, but are not limited to, one time goodwill discounts to charity organizations or to compensate an otherwise disgruntled customer; a limited sale of obsolete or damaged goods; the sale of sample goods to a new customer; or the sales of prototype goods for testing purposes.

Schedule 23v

If deviations from your written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format are so significant and/or frequent that the Contracting Officer cannot establish whether the price(s) offered is fair and reasonable, then you may be asked to provide additional information. The Contracting Officer may ask for information to demonstrate that you have made substantial sales of the item(s) in the commercial market consistent with the information reflected on the chart on the Commercial Sales Practice Format, a description of the conditions surrounding those sales deviations, or other information that may be necessary in order for the Contracting Officer to determine whether your offered price(s) is fair and reasonable. In cases where additional information is requested, the Contracting Officer will target the request in order to limit the submission of data to that needed to establish the reasonableness of the offered price.

MEMORANDUM FOR MARIA C. SWABY, SDO

FROM: John Knapp (Rachel Murdock)

SUBJECT: Potential Suspension Action Against Federal Verification Co., Inc. d/b/a GSA Application Services; GSA 1000, LLC d/b/a GSA Preview; and James D. Sprecher

ISSUE:

Whether or not to suspend Respondent Federal Verification Co., Inc., GSA 1000, LLC., and James D. Sprecher

BACKGROUND:

The United States General Services Administration (GSA) Suspension & Debarment Official (SDO) has requested a review of Federal Verification Co., Inc. d/b/a GSA Application Services ("FVC"); GSA 1000 d/b/a GSA Preview ("GSA 1000"); and James D. Sprecher ("Sprecher") based on their misleading small businesses by claiming to be part of GSA.

FACTS:

On November 4, 2014, the Florida Attorney General filed a Civil Complaint (Complaint) against FVC, GSA 1000, and Sprecher.¹ The Complaint seeks relief under the Florida Deceptive and Unfair Trade Practices Act, F.S. §501.204(1).² The Complaint asserts that FVC, GSA 1000, and Sprecher made "material false statements and misrepresentations to businesses," and that "[FCV, GSA 1000, and Sprecher] have engaged in deceptive and unfair acts and practices in trade or commerce."³

FVC is a Florida corporation that has done business under more than 60 fictitious names: Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; GSA 1000; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors;

¹ Florida v. Federal Verification, Co., Civil Complaint at 1, available at [http://myfloridalegal.com/webfiles.nsf/WF/KCAN-9QKLP3/\\$file/GSAComplaint.pdf](http://myfloridalegal.com/webfiles.nsf/WF/KCAN-9QKLP3/$file/GSAComplaint.pdf).

² *Id.*

³ *Id.* at 16.

GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service.⁴

GSA 1000 is a Florida corporation that shares management, personnel, offices, and business practices with FVC, and “currently or formerly [does/did] business as GSA Preview.”⁵ Sprecher manages and controls FVC and GSA 1000.⁶

Since 2010, the Florida Attorney General’s Office has received over 200 customer complaints alleging misleading business practices against FVC, GSA 1000, and other associated business names.⁷

Companies closely associated with FVC, such as GSA 1000, use logos similar or “likely to be confused” with Government websites.⁸ In addition, the Complaint states that GSA previously admonished the companies for this practice, and directed the companies to include a disclaimer on the companies’ websites and refrain from implying a relationship with the Government.⁹

The Complaint asserts that FVC and GSA 1000 solicited businesses via telemarketing throughout the United States.¹⁰ The telemarketers falsely identified themselves to customers as GSA employees or as being closely affiliated with GSA.¹¹ In addition, while FVC and GSA 1000 salespersons were calling businesses from Florida, the salespersons often claimed to be calling from Washington DC, Virginia, or Maryland to make their offers appear more legitimate.¹² During these cold-calls, FVC and GSA 1000 offered to prepare and submit GSA Schedule applications on behalf of the solicited businesses.¹³ Furthermore, during these phone calls, FVC and GSA 1000 often drastically overstated the likelihood of obtaining a GSA Schedule award.¹⁴ These misrepresentations included guarantees such as “assuring the business that it qualifies for a five-year to twenty-year GSA Contract award,” and that “there are government-

⁴ *Id.* at 3, 6.

⁵ *Id.* at 4,

⁶ *Id.*

⁷ *Id.* at 5.

⁸ *Id.* at 7.

⁹ *Id.*; An email was sent by S&D on November 19, 2014 to GSA OIG requesting additional information on GSA’s notice to Sprecher’s companies. GSA S&D has not received a response as of November 20, 2014. “Email to OIG asking for information on GSA’s previous letter to Sprecher’s companies” at 1.

¹⁰ *Id.* at 7-8.

¹¹ *Id.* at 8.

¹² *Id.* at 6.

¹³ *Id.* at 5.

¹⁴ *Id.* at 6.

guaranteed minimum revenues upon a contract award; and a 100% guaranteed return on investment.”¹⁵ Additionally, FVC and GSA 1000 claimed that the Government has a limited number of openings available for GSA Schedule positions, and that the Government rotates work among GSA Schedule holders so that every company is guaranteed business.¹⁶ After making these claims, FVC and GSA 1000 sought advance fees from the solicited businesses.¹⁷ These fees ranged from \$2,500 to \$10,000.¹⁸

The Complaint also claims that FVC and GSA 1000 failed to conduct any due diligence on their customers and “repeatedly assured [their customers] that they are qualified and would get a GSA Contract . . . in an effort to induce the sale, regardless of the type of business or the products or services to be offered for sale to the U.S. government.”¹⁹ Consequently, despite FVC and GSA 1000’s affirmative assurances, many of FVC and GSA 1000’s customers later discovered that they were ineligible for GSA Schedule approval.²⁰ Moreover, FVC and GSA 1000 often failed to submit their customers’ GSA Schedule applications at all.²¹

As owner of FVC and GSA 1000, Sprecher orchestrated and facilitated the companies’ deceptive conduct by controlling the companies’ practices and policies.²²

On an unknown date prior to the filing of the Complaint, Sprecher and an FVC employee met with the Florida Attorney General’s staff.²³ The Florida Attorney General’s staff identified FVC and GSA 1000’s deceptive and unsubstantiated sales representations.²⁴ However, despite the Florida Attorney General’s warning, Sprecher’s companies continued to make the deceptive claims.²⁵

The Complaint seeks injunctive relief to prohibit Sprecher, FVC, and GSA 1000 from engaging new customers and from destroying or altering evidence connected to Sprecher, FVC, and GSA 1000’s operations.²⁶ Additionally, the Complaint asks for restitution for Sprecher, FVC, and GSA 1000’s customers, and disgorgement of all revenues and interests derived from Sprecher, FVC, and GSA 1000’s unfair or deceptive practices.²⁷ Finally, the Complaint seeks a \$10,000 civil penalty, a \$15,000 civil penalty in cases involving senior citizens or handicapped persons, and asks for

¹⁵ *Id.*

¹⁶ *Id.* at 9.

¹⁷ *Id.* at 6.

¹⁸ *Id.*

¹⁹ *Id.* at 12.

²⁰ *Id.* at 5.

²¹ *Id.*

²² *Id.* at 14.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 17-18.

²⁷ *Id.*

reasonable restrictions on the future business activities of Sprecher, FVC, and GSA 1000.²⁸

APPLICABLE FAR CITATIONS:

“Contractor” means any individual or other legal entity that—

- (1) Directly or indirectly (e.g., through an affiliate), submits offers for or is awarded, or reasonably may be expected to submit offers for or be awarded, a Government contract, including a contract for carriage under Government or commercial bills of lading, or a subcontract under a Government contract; or
- (2) Conducts business, or reasonably may be expected to conduct business, with the Government as an agent or representative of another contractor.²⁹

(a) The suspending official may suspend a contractor suspected, upon adequate evidence, of—

(3) Commission of falsification or destruction of records or making false statements;

(9) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a Government contractor or subcontractor.³⁰

(b) Indictment for any of the causes [listed above as (1) and (3)] constitutes adequate evidence for suspension.³¹

(c) The suspending official may upon adequate evidence also suspend a contractor for any other cause of so serious or compelling a nature that it affects the present responsibility of a Government contractor or subcontractor.³²

An “indictment means indictment for a criminal offense,” and “an information or other filing by competent authority charging a criminal offense is given the same effect as an indictment.”³³

The scope of suspension shall be the same as that for debarment (see 9.406-5), except that the procedures of 9.407-3 shall be used in imposing suspension.³⁴

- (a) The fraudulent, criminal, or other seriously improper conduct of any officer, director, shareholder, partner, employee, or other individual associated with a contractor may be imputed to the contractor when the conduct occurred in

²⁸ *Id.*

²⁹ FAR 9.403.

³⁰ FAR 9.407-2

³¹ *Id.*

³² *Id.*

³³ FAR 9.403

³⁴ FAR 9.407-4

connection with the individual's performance of duties for or on behalf of the contractor, or with the contractor's knowledge, approval, or acquiescence. The contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval, or acquiescence.

- (b) The fraudulent, criminal, or other seriously improper conduct of a contractor may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with the contractor who participates in, knew of, or had reason to know of the contractor's conduct...³⁵

However, the existence of a cause for suspension does not necessarily require that the contractor be suspended. The suspending official should consider the seriousness of the contractor's acts or omissions, and may, but is not required to, consider remedial measures or mitigating factors, such as those set forth below. The existence or nonexistence of any remedial measures or mitigating factors is not necessarily determinative of a contractor's present responsibility.

(1) Whether the contractor had effective standards of conduct and internal control systems in place at the time of the activity which constitutes cause for debarment or had adopted such procedures prior to any Government investigation of the activity cited as a cause for debarment.

(2) Whether the contractor brought the activity cited as a cause for debarment to the attention of the appropriate Government agency in a timely manner.

(3) Whether the contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the debarring official.

(4) Whether the contractor cooperated fully with Government agencies during the investigation and any court or administrative action.

(5) Whether the contractor has paid or has agreed to pay all criminal, civil, and administrative liability for the improper activity, including any investigative or administrative costs incurred by the Government, and has made or agreed to make full restitution.

(6) Whether the contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes cause for debarment.

(7) Whether the contractor has implemented or agreed to implement remedial measures, including any identified by the Government.

(8) Whether the contractor has instituted or agreed to institute new or revised review and control procedures and ethics training programs.

(9) Whether the contractor has had adequate time to eliminate the circumstances within the contractor's organization that led to the cause for debarment.

(10) Whether the contractor's management recognizes and understands the seriousness of the misconduct giving rise to the cause for debarment and has implemented programs to prevent recurrence.³⁶

³⁵ FAR 9.406-5

³⁶ FAR 9.4078-1(b)(2)

DISCUSSION:

Federal Verification Co., Inc.

FVC is a contractor within the meaning of FAR 9.403 because FVC has experience in submitting and preparing GSA Schedule applications. Therefore, FVC is versed in examining and submitting applications to the Government involving Government contracts. In this capacity, FVC acts as an agent or representative of prospective Government contractors. For these reasons, FVC may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. Therefore, FVC is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

FVC has done business under more than 60 different fictitious names. Therefore, any suspension action taken against FVC should include the fictitious names listed in the Complaint: Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; GSA 1000; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors; GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service.

The SDO may suspend FVC under FAR 9.407-2(a)(9) because the Complaint alleges that FVC committed Deceptive and Unfair Trade Practices in violation of F.S.

§501.204(1). Committing deceptive and unfair trade practices is conduct indicating a lack of business integrity and business honesty that seriously and directly affect FVC's present responsibility. FVC indicated, either explicitly or implicitly, that the company was associated with GSA and significantly overstated the likelihood that potential small business would receive a Government contract. Additionally, FVC falsely collected fees from small businesses. Therefore, the SDO may suspend FVC under FAR 9.407-2(a)(9).

The SDO may suspend FVC under FAR 9.407-2(c) because the underlying nature of FVC's acts are so serious and compelling that they affect FVC's present responsibility. FVC misrepresented to potential customers that the company was affiliated with GSA or that the salesperson was calling from GSA. FVC also drastically overstated the likelihood that potential customers would receive a Government contract, falsely told customers that their businesses were qualified to receive Government contracts, and misled customers to believe that their businesses were guaranteed to make money. FVC likely knew these practices were deceptive and unsubstantiated as the Florida Attorney General met with FVC's management to notify the company that the business practices were deceptive. Moreover, FVC continued to make deceptive claims after meeting with the Florida Attorney General. Therefore, the SDO may suspend FVC under FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to FVC.

GSA 1000, LLC

GSA 1000 is a contractor within the meaning of FAR 9.403 because GSA 1000 has experience in submitting and preparing GSA Schedule applications. Therefore, GSA 1000 is versed in examining and submitting applications to the Government involving Government contracts. In this capacity, GSA 1000 acts as an agent or representative of prospective Government contractors. For these reasons, GSA 1000 may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. Therefore, GSA 1000 is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

The SDO may suspend GSA 1000 under FAR 9.407-2(a)(9) because the Complaint alleges that GSA 1000 committed Deceptive and Unfair Trade Practices in violation of F.S. §501.204(1). Committing deceptive and unfair trade practices is an offense indicating a lack of business integrity and business honesty that seriously and directly affect GSA 1000's present responsibility. GSA 1000 indicated, either explicitly or implicitly, that the company was associated with GSA and significantly overstated the

likelihood that potential small business would receive a Government contract. Additionally, GSA 1000 falsely collected fees from small businesses. Therefore, the SDO may suspend FVC under FAR 9.407-2(a)(9).

The SDO may suspend GSA 1000 under FAR 9.407-2(c) because the underlying nature of GSA 1000's acts are so serious and compelling that they affect GSA 1000's present responsibility. GSA 1000 misrepresented to potential customers that the company was affiliated with GSA or that the salesperson was calling from GSA. GSA 1000 also drastically overstated the likelihood that potential customers would receive a Government contract, falsely told businesses that the business was qualified to receive Government contracts, and misled customers to believe that their businesses were guaranteed to make money. Finally, GSA 1000 likely knew these practices were deceptive and unsubstantiated as the Florida Attorney General met with Sprecher to notify the Sprecher that these business practices were deceptive. Despite this notice, GSA 1000 continued to make deceptive and unsubstantiated claims to its potential customers. Therefore, the SDO may suspend GSA 1000 under FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to GSA 1000.

James Dale Sprecher

Sprecher is a contractor within the meaning of FAR 9.403 because Sprecher owns and operates FVC and GSA 1000. As owner of FVC and GSA 1000, Sprecher is likely familiar with FVC and GSA 1000's operations and the companies' role as agent or representative of prospective Government contractors. Therefore, Sprecher may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. For these reasons, Sprecher is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

The SDO may suspend Sprecher under FAR 9.407-2(a)(9) because the Complaint alleges that Sprecher committed Deceptive and Unfair Trade Practices in violation of F.S. §501.204(1). Committing deceptive and unfair trade practices is an offense indicating a lack of business integrity and business honesty that seriously and directly affect Sprecher's present responsibility. The Complaint asserts that Sprecher facilitated the collection of unfair advanced fees and controlled FVC and GSA 1000's deceptive practices. By facilitating FVC and GSA 1000's deceptive and unfair business practices, Sprecher has demonstrated that he lacks the requisite levels of business integrity and business honesty required for conducting Government business. Therefore, the SDO may suspend Sprecher under FAR 9.407-2(a)(9).

The SDO may suspend Sprecher under FAR 9.407-2(c) because Sprecher participated in or exercised reckless indifference towards FVC and GSA 1000's unfair and deceptive conduct. Additionally, Sprecher knew or had a reason to know that his companies were engaged in unfair trade practices because he met with the Florida Attorney General and was notified that the companies' sales representations were deceptive and unsubstantiated. Despite being on notice, the company continued to make deceptive and unsubstantiated claims to potential customers. Consequently, Sprecher's actions are of so serious and compelling a nature that it affects his present responsibility as a Government contractor. Therefore, the SDO may debar Sprecher pursuant to FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to Sprecher.

RECOMMENDATION:

For all of the reasons outlined above, it is recommended that the SDO consider suspending Respondents GSA 1000, LLC d/b/a GSA Preview; and James D. Sprecher Federal Verification Co., Inc. d/b/a:

- GSA Application Services Advisory Associates
- Gov DocuPrep
- The GSA Specialists
- Advisory Organization
- The Government Awards Consulting
- GSA Tampa
- Alliance Publishing
- Government Consulting Corp.
- Increased Federal Solutions
- American Strategy Consultants
- Government Consulting Specialists
- K&J's Managed Solutions
- Bridgewater Consulting Group
- The Government Marketing Advisors Market
- GSA Commercial Connections & Research Center
- Government Verification
- National Government Specialists
- Contract Award Services
- National GSA Consultants
- Creative Concept Group, LLC
- GSA Alliance; National Processing Center
- GSA Processing Group
- GSA Application Services
- National Procurement Center
- GSA South Carolina
- GSA Awards
- PCP Tampa Road, LLC
- GSA Pennsylvania
- GSA Consultants
- Rapid GSA
- GSA Applications
- GSA Consultants Online Service
- GSA Express Procurement Group
- GSA Dallas
- Tampa Bay GSA
- Fed Government Advisors
- GSA Discount
- Tampa GSA
- Fed Government Consultant
- GSA DocuPrep
- Target GSA
- Fed Government Consultants
- GSA Government Consultants
- The Lewisburg Group, Inc.

- Fed Government Specialists
- GSA Greenville
- The Verification Co.
- Federal Suppliers Guide
- GSA London
- Professional Government Preparations
- Federal Suppliers Guide Inc.
- GSA Pittsburgh
- United Procurement Specialists

- GSA Preview
- United Strategy Consultants
- FEMA Today
- GSA Processors Co.
- USA Strategy Group
- GAC Offices (DC)
- GSA Schedule Aid
- US Consulting Specialists
- GDI
- GSA Schedule Service.

MEMORANDUM FOR MARIA C. SWABY, SDO

FROM: John Knapp (Rachel Murdock)

SUBJECT: Potential Suspension Action Against Federal Verification Co., Inc. d/b/a GSA Application Services; GSA 1000, LLC d/b/a GSA Preview; and James D. Sprecher

ISSUE:

Whether or not to suspend Respondent Federal Verification Co., Inc., GSA 1000, LLC., and James D. Sprecher

BACKGROUND:

The United States General Services Administration (GSA) Suspension & Debarment Official (SDO) has requested a review of Federal Verification Co., Inc. d/b/a GSA Application Services ("FVC"); GSA 1000 d/b/a GSA Preview ("GSA 1000"); and James D. Sprecher ("Sprecher") based on their misleading small businesses by claiming to be part of GSA.

FACTS:

On November 4, 2014, the Florida Attorney General filed a Civil Complaint (Complaint) against FVC, GSA 1000, and Sprecher.¹ The Complaint seeks relief under the Florida Deceptive and Unfair Trade Practices Act, F.S. §501.204(1).² The Complaint asserts that FVC, GSA 1000, and Sprecher made "material false statements and misrepresentations to businesses," and that "[FVC, GSA 1000, and Sprecher] have engaged in deceptive and unfair acts and practices in trade or commerce."³

FVC is a Florida corporation that has done business under more than 60 fictitious names:

Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; GSA 1000; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA

¹ Florida v. Federal Verification, Co., Civil Complaint at 1, available at [http://myfloridalegal.com/webfiles.nsf/WF/KCAN-9QKLP3/\\$file/GSAComplaint.pdf](http://myfloridalegal.com/webfiles.nsf/WF/KCAN-9QKLP3/$file/GSAComplaint.pdf).

² *Id.*

³ *Id.* at 16.

Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors; GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service.⁴

GSA 1000 is a Florida corporation that shares management, personnel, offices, and business practices with FVC, and “currently or formerly [does/did] business as GSA Preview.”⁵

Sprecher manages and controls FVC and GSA 1000.⁶

Since 2010, the Florida Attorney General’s Office has received over 200 customer complaints alleging misleading business practices against FVC, GSA 1000, and other associated business names.⁷

Companies closely associated with FVC, such as GSA 1000, use logos similar or “likely to be confused” with Government websites.⁸ In addition, the Complaint states that GSA previously admonished the companies for this practice, and directed the companies to include a disclaimer on the companies’ websites and refrain from implying a relationship with the Government.⁹

The Complaint asserts that FVC and GSA 1000 solicited businesses via telemarketing throughout the United States.¹⁰ The telemarketers falsely identified themselves to customers as GSA employees or as being closely affiliated with GSA.¹¹ In addition, while FVC and GSA 1000 salespersons were calling businesses from Florida, the salespersons often claimed to be calling from Washington, D.C., Virginia, or Maryland to make their offers appear more legitimate.¹² During these cold-calls, FVC and GSA 1000 offered to prepare and submit GSA Schedule applications on behalf of the solicited businesses.¹³ Furthermore, during these phone calls, FVC and GSA 1000

⁴ *Id.* at 3, 6.

⁵ *Id.* at 4,

⁶ *Id.*

⁷ *Id.* at 5.

⁸ *Id.* at 7.

⁹ *Id.*; An email was sent by S&D on November 19, 2014 to GSA OIG requesting additional information on GSA’s notice to Sprecher’s companies. GSA S&D has not received a response as of November 20, 2014. “Email to OIG asking for information on GSA’s previous letter to Sprecher’s companies” at 1.

¹⁰ *Id.* at 7-8.

¹¹ *Id.* at 8.

¹² *Id.* at 6.

¹³ *Id.* at 5.

often drastically overstated the likelihood of obtaining a GSA Schedule award.¹⁴ These misrepresentations included guarantees such as “assuring the business that it qualifies for a five-year to twenty-year GSA Contract award,” and that “there are government-guaranteed minimum revenues upon a contract award; and a 100% guaranteed return on investment.”¹⁵ Additionally, FVC and GSA 1000 claimed that the Government has a limited number of openings available for GSA Schedule positions, and that the Government rotates work among GSA Schedule holders so that every company is guaranteed business.¹⁶ After making these claims, FVC and GSA 1000 sought advance fees from the solicited businesses.¹⁷ These fees ranged from \$2,500 to \$10,000.¹⁸

The Complaint also claims that FVC and GSA 1000 failed to conduct any due diligence on their customers and “repeatedly assured [their customers] that they are qualified and would get a GSA Contract . . . in an effort to induce the sale, regardless of the type of business or the products or services to be offered for sale to the U.S. government.”¹⁹ Consequently, despite FVC and GSA 1000’s affirmative assurances, many of FVC and GSA 1000’s customers later discovered that they were ineligible for GSA Schedule approval.²⁰ Moreover, FVC and GSA 1000 often failed to submit their customers’ GSA Schedule applications at all.²¹

As owner of FVC and GSA 1000, Sprecher orchestrated and facilitated the companies’ deceptive conduct by controlling the companies’ practices and policies.²²

On an unknown date prior to the filing of the Complaint, Sprecher and an FVC employee met with the Florida Attorney General’s staff.²³ The Florida Attorney General’s staff identified FVC and GSA 1000’s deceptive and unsubstantiated sales representations.²⁴ However, despite the Florida Attorney General’s warning, Sprecher’s companies continued to make the deceptive claims.²⁵

The Complaint seeks injunctive relief to prohibit Sprecher, FVC, and GSA 1000 from engaging new customers and from destroying or altering evidence connected to Sprecher, FVC, and GSA 1000’s operations.²⁶ Additionally, the Complaint asks for restitution for Sprecher, FVC, and GSA 1000’s customers, and disgorgement of all revenues and interests derived from Sprecher, FVC, and GSA 1000’s unfair or

¹⁴ *Id.* at 6.

¹⁵ *Id.*

¹⁶ *Id.* at 9.

¹⁷ *Id.* at 6.

¹⁸ *Id.*

¹⁹ *Id.* at 12.

²⁰ *Id.* at 5.

²¹ *Id.*

²² *Id.* at 14.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 17-18.

deceptive practices.²⁷ Finally, the Complaint seeks a \$10,000 civil penalty, a \$15,000 civil penalty in cases involving senior citizens or handicapped persons, and asks for reasonable restrictions on the future business activities of Sprecher, FVC, and GSA 1000.²⁸

APPLICABLE FAR CITATIONS:

“Contractor” means any individual or other legal entity that—

- (1) Directly or indirectly (e.g, through an affiliate), submits offers for or is awarded, or reasonably may be expected to submit offers for or be awarded, a Government contract, including a contract for carriage under Government or commercial bills of lading, or a subcontract under a Government contract; or
- (2) Conducts business, or reasonably may be expected to conduct business, with the Government as an agent or representative of another contractor.²⁹

(a) The suspending official may suspend a contractor suspected, upon adequate evidence, of—

(3) Commission of falsification or destruction of records or making false statements;

(9) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a Government contractor or subcontractor.³⁰

(b) Indictment for any of the causes [listed above as (1) and (3)] constitutes adequate evidence for suspension.³¹

(c) The suspending official may upon adequate evidence also suspend a contractor for any other cause of so serious or compelling a nature that it affects the present responsibility of a Government contractor or subcontractor.³²

An “indictment means indictment for a criminal offense,” and “an information or other filing by competent authority chagrining a criminal offense is given the same effect as an indictment.”³³

The scope of suspension shall be the same as that for debarment (see 9.406-5), except that the procedures of 9.407-3 shall be used in imposing suspension.³⁴

²⁷ *Id.*

²⁸ *Id.*

²⁹ FAR 9.403.

³⁰ FAR 9.407-2

³¹ *Id.*

³² *Id.*

³³ FAR 9.403

³⁴ FAR 9.407-4

- (a) The fraudulent, criminal, or other seriously improper conduct of any officer, director, shareholder, partner, employee, or other individual associated with a contractor may be imputed to the contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the contractor, or with the contractor's knowledge, approval, or acquiescence. The contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval, or acquiescence.
- (b) The fraudulent, criminal, or other seriously improper conduct of a contractor may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with the contractor who participates in, knew of, or had reason to know of the contractor's conduct...³⁵

However, the existence of a cause for suspension does not necessarily require that the contractor be suspended. The suspending official should consider the seriousness of the contractor's acts or omissions, and may, but is not required to, consider remedial measures or mitigating factors, such as those set forth below. The existence or nonexistence of any remedial measures or mitigating factors is not necessarily determinative of a contractor's present responsibility.

(1) Whether the contractor had effective standards of conduct and internal control systems in place at the time of the activity which constitutes cause for debarment or had adopted such procedures prior to any Government investigation of the activity cited as a cause for debarment.

(2) Whether the contractor brought the activity cited as a cause for debarment to the attention of the appropriate Government agency in a timely manner.

(3) Whether the contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the debarring official.

(4) Whether the contractor cooperated fully with Government agencies during the investigation and any court or administrative action.

(5) Whether the contractor has paid or has agreed to pay all criminal, civil, and administrative liability for the improper activity, including any investigative or administrative costs incurred by the Government, and has made or agreed to make full restitution.

(6) Whether the contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes cause for debarment.

(7) Whether the contractor has implemented or agreed to implement remedial measures, including any identified by the Government.

(8) Whether the contractor has instituted or agreed to institute new or revised review and control procedures and ethics training programs.

(9) Whether the contractor has had adequate time to eliminate the circumstances within the contractor's organization that led to the cause for debarment.

³⁵ FAR 9.406-5

(10) Whether the contractor's management recognizes and understands the seriousness of the misconduct giving rise to the cause for debarment and has implemented programs to prevent recurrence.³⁶

DISCUSSION:

Federal Verification Co., Inc.

FVC is a contractor within the meaning of FAR 9.403 because FVC has experience in submitting and preparing GSA Schedule applications. Therefore, FVC is versed in examining and submitting applications to the Government involving Government contracts. In this capacity, FVC acts as an agent or representative of prospective Government contractors. For these reasons, FVC may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. Therefore, FVC is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

FVC has done business under more than 60 different fictitious names. Therefore, any suspension action taken against FVC should include the fictitious names listed in the Complaint:

Advisory Associates; Gov DocuPrep; The GSA Specialists; Advisory Organization; The Government Awards Consulting; GSA Tampa; Alliance Publishing; Government Consulting Corp.; Increased Federal Solutions; American Strategy Consultants; Government Consulting Specialists; K&J's Managed Solutions; Bridgewater Consulting Group; The Government Marketing Advisors Market; GSA Commercial Connections & Research Center; Government Verification; National Government Specialists; Contract Award Services; GSA 1000; National GSA Consultants; Creative Concept Group, LLC; GSA Alliance; National Processing Center; GSA Processing Group; GSA Application Services; National Procurement Center; GSA South Carolina; GSA Awards; PCP Tampa Road, LLC; GSA Pennsylvania; GSA Consultants; Rapid GSA; GSA Applications; GSA Consultants Online Service; GSA Express Procurement Group; GSA Dallas; Tampa Bay GSA; Fed Government Advisors; GSA Discount; Tampa GSA; Fed Government Consultant; GSA DocuPrep; Target GSA; Fed Government Consultants; GSA Government Consultants; The Lewisburg Group, Inc.; Fed Government Specialists; GSA Greenville; The Verification Co.; Federal Suppliers Guide; GSA London; Professional Government Preparations; Federal Suppliers Guide Inc.; GSA

³⁶ FAR 9.4078-1(b)(2)

Pittsburgh; United Procurement Specialists; Federal Verification Co. Inc.; GSA Preview; United Strategy Consultants; FEMA Today; GSA Processors Co.; USA Strategy Group; GAC Offices (DC); GSA Schedule Aid; US Consulting Specialists; GDI; GSA Schedule Service

The SDO may suspend FVC under FAR 9.407-2(a)(9) because the Complaint alleges that FVC committed Deceptive and Unfair Trade Practices in violation of F.S. §501.204(1). Committing deceptive and unfair trade practices is conduct indicating a lack of business integrity and business honesty that seriously and directly affect FVC's present responsibility. FVC indicated, either explicitly or implicitly, that the company was associated with GSA and significantly overstated the likelihood that potential small business would receive a Government contract. Additionally, FVC falsely collected fees from small businesses. Therefore, the SDO may suspend FVC under FAR 9.407-2(a)(9).

The SDO may suspend FVC under FAR 9.407-2(c) because the underlying nature of FVC's acts are so serious and compelling that they affect FVC's present responsibility. FVC misrepresented to potential customers that the company was affiliated with GSA or that the salesperson was calling from GSA. FVC also drastically overstated the likelihood that potential customers would receive a Government contract, falsely told customers that their businesses were qualified to receive Government contracts, and misled customers to believe that their businesses were guaranteed to make money. FVC likely knew these practices were deceptive and unsubstantiated as the Florida Attorney General met with FVC's management to notify the company that the business practices were deceptive. Moreover, FVC continued to make deceptive claims after meeting with the Florida Attorney General. Therefore, the SDO may suspend FVC under FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to FVC.

GSA 1000, LLC

GSA 1000 is a contractor within the meaning of FAR 9.403 because GSA 1000 has experience in submitting and preparing GSA Schedule applications. Therefore, GSA 1000 is versed in examining and submitting applications to the Government involving Government contracts. In this capacity, GSA 1000 acts as an agent or representative of prospective Government contractors. For these reasons, GSA 1000 may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. Therefore, GSA 1000 is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

The SDO may suspend GSA 1000 under FAR 9.407-2(a)(9) because the Complaint alleges that GSA 1000 committed Deceptive and Unfair Trade Practices in violation of F.S. §501.204(1). Committing deceptive and unfair trade practices is an offense indicating a lack of business integrity and business honesty that seriously and directly affect GSA 1000's present responsibility. GSA 1000 indicated, either explicitly or implicitly, that the company was associated with GSA and significantly overstated the likelihood that potential small business would receive a Government contract. Additionally, GSA 1000 falsely collected fees from small businesses. Therefore, the SDO may suspend FVC under FAR 9.407-2(a)(9).

The SDO may suspend GSA 1000 under FAR 9.407-2(c) because the underlying nature of GSA 1000's acts are so serious and compelling that they affect GSA 1000's present responsibility. GSA 1000 misrepresented to potential customers that the company was affiliated with GSA or that the salesperson was calling from GSA. GSA 1000 also drastically overstated the likelihood that potential customers would receive a Government contract, falsely told businesses that the business was qualified to receive Government contracts, and misled customers to believe that their businesses were guaranteed to make money. Finally, GSA 1000 likely knew these practices were deceptive and unsubstantiated as the Florida Attorney General met with Sprecher to notify the Sprecher that these business practices were deceptive. Despite this notice, GSA 1000 continued to make deceptive and unsubstantiated claims to its potential customers. Therefore, the SDO may suspend GSA 1000 under FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to GSA 1000.

James Dale Sprecher

Sprecher is a contractor within the meaning of FAR 9.403 because Sprecher owns and operates FVC and GSA 1000. As owner of FVC and GSA 1000, Sprecher is likely familiar with FVC and GSA 1000's operations and the companies' role as agent or representative of prospective Government contractors. Therefore, Sprecher may reasonably be expected to conduct business with the Government as an agent or representative of another Government contractor. For these reasons, Sprecher is a contractor within the meaning of FAR 9.403.

The Complaint satisfies the adequate evidence standard required by FAR 9.407-2 because the Florida Attorney General filed the Complaint. The Florida Attorney General is a competent filing authority. Consequently, the facts stated in the Complaint are established by adequate evidence.

The SDO may suspend Sprecher under FAR 9.407-2(a)(9) because the Complaint alleges that Sprecher committed Deceptive and Unfair Trade Practices in violation of F.S. §501.204(1). Committing deceptive and unfair trade practices is an offense indicating a lack of business integrity and business honesty that seriously and directly

affect Sprecher's present responsibility. The Complaint asserts that Sprecher facilitated the collection of unfair advanced fees and controlled FVC and GSA 1000's deceptive practices. By facilitating FVC and GSA 1000's deceptive and unfair business practices, Sprecher has demonstrated that he lacks the requisite levels of business integrity and business honesty required for conducting Government business. Therefore, the SDO may suspend Sprecher under FAR 9.407-2(a)(9).

The SDO may suspend Sprecher under FAR 9.407-2(c) because Sprecher participated in or exercised reckless indifference towards FVC and GSA 1000's unfair and deceptive conduct. Additionally, Sprecher knew or had a reason to know that his companies were engaged in unfair trade practices because he met with the Florida Attorney General and was notified that the companies' sales representations were deceptive and unsubstantiated. Despite being on notice, the company continued to make deceptive and unsubstantiated claims to potential customers. Consequently, Sprecher's actions are of so serious and compelling a nature that it affects his present responsibility as a Government contractor. Therefore, the SDO may debar Sprecher pursuant to FAR 9.407-2(c).

There are no mitigating factors in the administrative record that pertain to Sprecher.

RECOMMENDATION:

For all of the reasons outlined above, it is recommended that the SDO consider suspending Respondents GSA 1000, LLC d/b/a GSA Preview; and James D. Sprecher Federal Verification Co., Inc. d/b/a:

- GSA Application Services
- Advisory Associates
- Gov DocuPrep
- The GSA Specialists
- Advisory Organization
- The Government Awards Consulting
- GSA Tampa
- Alliance Publishing
- Government Consulting Corp.
- Increased Federal Solutions
- American Strategy Consultants
- Government Consulting Specialists
- K&J's Managed Solutions
- Bridgewater Consulting Group
- The Government Marketing Advisors Market
- GSA Commercial Connections & Research Center
- Government Verification
- National Government Specialists
- Contract Award Services
- National GSA Consultants
- Creative Concept Group, LLC
- GSA Alliance; National Processing Center
- GSA Processing Group
- GSA Application Services
- National Procurement Center
- GSA South Carolina
- GSA Awards
- PCP Tampa Road, LLC
- GSA Pennsylvania
- GSA Consultants
- Rapid GSA
- GSA Applications

- GSA Consultants Online Service
- GSA Express Procurement Group
- GSA Dallas
- Tampa Bay GSA
- Fed Government Advisors
- GSA Discount
- Tampa GSA
- Fed Government Consultant
- GSA DocuPrep
- Target GSA
- Fed Government Consultants
- GSA Government Consultants
- The Lewisburg Group, Inc.
- Fed Government Specialists
- GSA Greenville
- The Verification Co.

- Federal Suppliers Guide
- GSA London
- Professional Government Preparations
- Federal Suppliers Guide Inc.
- GSA Pittsburgh
- United Procurement Specialists
- GSA Preview
- United Strategy Consultants
- FEMA Today
- GSA Processors Co.
- USA Strategy Group
- GAC Offices (DC)
- GSA Schedule Aid
- US Consulting Specialists
- GDI
- GSA Schedule Service.

**IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PINELLAS COUNTY, FLORIDA
- CIVIL DIVISION -**

**OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA,
DEPARTMENT OF LEGAL AFFAIRS,**

**CASE NO.
DIVISION:**

Plaintiff,

v.

**FEDERAL VERIFICATION CO., INC.,
DBA GSA APPLICATION SERVICES, et al;
GSA 1000, LLC, DBA GSA PREVIEW; and
JAMES DALE SPRECHER, AN INDIVIDUAL,**

Defendants.

COMPLAINT FOR INJUNCTIVE AND OTHER STATUTORY RELIEF

Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs (“Attorney General”), sues Defendants, Federal Verification Co., Inc. dba GSA Application Services, et al (“Federal Verification” or the “Company”); GSA 1000, LLC dba GSA Preview (“GSA 1000”); and James Dale Sprecher, an individual (collectively referred to hereinafter as “Defendants”), and alleges:

JURISDICTION AND VENUE

1. This is an action for monetary, injunctive, and other equitable and statutory relief, brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (“FDUTPA”).

2. This court has jurisdiction pursuant to the provisions of Chapter 501, Part II, Florida Statutes. The Office of the Attorney General seeks relief in an amount greater than Fifteen Thousand Dollars (\$15,000.00), exclusive of interest, costs, and attorneys' fees.

3. The violations alleged herein affect more than one judicial circuit of the State of Florida.

4. Venue is proper in this court as the statutory violations alleged herein have occurred within Pinellas County. The principal place of business or places of business for Federal Verification and GSA 1000 are in Pinellas County. Defendant, James Dale Sprecher, is a resident of Florida, and resides in Pinellas County, Florida.

5. All other conditions precedent to this action have occurred.

THE PARTIES

6. Plaintiff is the enforcing authority of Chapter 501, Part II, Florida Statutes, and is authorized to bring this action and to seek injunctive and other statutory relief, including restitution and civil penalties.

7. Plaintiff has conducted an investigation of the matters alleged herein, and Attorney General Pam Bondi has determined that this enforcement action serves the public interest.

8. Defendant Federal Verification Co., Inc., at all times material hereto, has been and is a Florida corporation with its principal place of business at 3925 Tampa Road, Oldsmar, FL 34677; currently or formerly doing business as GSA Pittsburgh and GSA Pennsylvania, with offices at One Oxford Centre, 301 Grant St., Ste. 4300, Pittsburgh, PA 15219; doing business as GSA Greenville and GSA South Carolina at 7003 Pelham Rd., Ste. C, Greenville, SC 29615; and doing business as GSA Texas at 3901 Arlington Highlands Blvd., Ste 200, Arlington, TX 76108;

and doing business under other business names at numerous locations. Federal Verification has currently or formerly operated under the name of GSA Applications and numerous other fictitious or other names, including by way of example:

Advisory Associates	Gov DocuPrep, The	GSA Specialists
Advisory Organization, The	Government Awards Consulting	GSA Tampa
Alliance Publishing	Government Consulting Corp.	Increased Federal Solutions
American Strategy Consultants	Government Consulting Specialists	K&J's Managed Solutions
Bridgewater Consulting Group, The	Government Marketing Advisors	Market GSA
Commercial Connections & Research Center	Government Verification	National Government Specialists
Contract Award Services	GSA 1000	National GSA Consultants
Creative Concept Group, LLC	GSA Alliance	National Processing Center
GSA Processing Group	GSA Application Services	National Procurement Center
GSA South Carolina	GSA Awards	PCP Tampa Road, LLC
GSA Pennsylvania	GSA Consultants	Rapid GSA
GSA Applications	GSA Consultants Online	Service GSA
Express Procurement Group	GSA Dallas	Tampa Bay GSA
Fed Government Advisors	GSA Discount	Tampa GSA
Fed Government Consultant	GSA DocuPrep	Target GSA
Fed Government Consultants	GSA Government Consultants	The Lewisburg Group, Inc.
Fed Government Specialists	GSA Greenville	The Verification Co.
Federal Suppliers Guide	GSA London	Professional Government Preparations
Federal Suppliers Guide Inc.	GSA Pittsburgh	United Procurement Specialists
Federal Verification Co. Inc.	GSA Preview	United Strategy Consultants
FEMA Today	GSA Processors Co.	USA Strategy Group
GAC Offices (DC)	GSA Schedule Aid	US Consulting Specialists
GDI	GSA Schedule Service	

Defendant Federal Verification promotes its businesses through numerous websites, including:

americanstrategyconsultants.biz	gsapennsylvania.com
ccgbusiness.com	gsaprocessinggroup.com
ccgops.com	gsaprotege.com
contractawardservices.com	gsascheduleservice.com
gsaconsultantsonline.com	gsaspecialists.com
creativeconceptgroup.net	gsaspending.com
expressprocurementgroup.biz	gsasouthcarolina.com

fedgovadvisors.com	increased federal solutions.com
federalgovconsultant.com	marketgsa.com
fedspend.com	masgovernmentexpert.com
federalverification.com	national government advisors.com
fedgovspecialists.com	nationalgsa.com
govconsultingcorp.com	nationalprocessingconsultants.biz
govconsultants.biz/contact-us	nationalprocurementconsultants.com
govconsultingcorp.com	pittfedbiz.com
govdocapp	professionalgovernmentpreparations.com
govdocuprep.com	scfedbiz.com
govmarketingconsultants.com	servicegsa.com
govmarketexpert.com	thelewgroup.com
governmentcontractingsolutions.biz	thelewisburg group.com
government marketing advisors	unitedprocurementspecialists.biz
gsa100.com	unitedstrategyadvisors.biz
gsaapplications.com	unitedstrategyadvisors.com
gsaconsultantsonline.com	unitedstrategyconsultants.com
gsadallas.com	usconsultingspecialists.com
gsadocprep.biz	usconsultingspecialists.biz
gsadocprep.com	washingtonandleeconsultinggroup.com
gsagreenville.com	winbids.org
gsagovconsultants.com	winbidspro.org
gsalondon.co.uk	

9. Defendant GSA 1000, at all times material hereto, has been and is a Florida limited liability company with its principal place of business at 3925 Tampa Road, Oldsmar, FL 34677; currently or formerly doing business as GSA Preview. GSA 1000 has conducted operations using common management, control, personnel, offices and business practices with Federal Verification.

10. Defendant James Dale Sprecher (“Sprecher”) is an individual and, at all times material hereto, has resided in Pinellas County, Florida. Sprecher directly participates in and manages, operates, and controls the operations of Federal Verification and GSA 1000 and, on information and belief, holds a direct or indirect interest in Federal Verification and GSA 1000.

11. At all times material hereto and at least within four (4) years before the filing of this action, Defendants, Federal Verification and GSA 1000, engaged in trade or commerce

within the definition of Section 501.203(8), Florida Statutes, by soliciting businesses in Florida and throughout the United States for U.S. General Services Administration (“GSA”) application and related services in furtherance of obtaining an award of a GSA Contract. Businesses are “consumers” within the definition of Section 501.203(7), Florida Statutes.

INTRODUCTION

12. Federal Verification and GSA 1000, based in Oldsmar, Florida, solicit businesses through telemarketing and offer to prepare and submit an application on behalf of their client businesses for an award of a GSA Contract, often referred to as a “GSA Schedule” or “GSA Contract.” A GSA Contract allows a business to sell goods and services to the federal government at pre-negotiated pricing.

13. Since 2010, the Attorney General’s Office has received over 200 customer complaints against Federal Verification, doing business as GSA Application Services, and other associated business names and entities, including GSA 1000, alleging misleading business practices. Numerous customers have complained that they paid substantial fees and were promised that they were qualified for and would be awarded a GSA Contract. Instead these customers have not been awarded a GSA Contract nor had their application completed, much less submitted to the GSA in the time promised. Other complaints have been received from customers whose applications were submitted, but were rejected by GSA as not qualified, despite being guaranteed by the Company that their businesses qualified for a GSA Contract.

14. As an overview, Federal Verification through numerous business names operates as follows:

- a. The Company solicits business through telemarketing and expressly claims to be the GSA or impliedly claims affiliation with GSA in offering GSA application services;

- b. The Company makes false and misleading representations as to the likelihood of a customer successfully obtaining a GSA Contract, including assuring the business that it qualifies for a five-year to twenty-year GSA Contract award and is likely to obtain it in sixty (60) days to six (6) months; that there are government-guaranteed minimum revenues upon a contract award; and a 100% guaranteed return on investment; and
 - c. The Company collects advance fees from customers typically ranging from \$5,000 to \$8,000 and upwards to \$10,000, or substantial advance payments before beginning any services. The Company enrolls customers without diligent review of their circumstances, adequate disclosure of requirements pertaining to the customer or its products or services, or any regard as to the customer's meaningful probability of being awarded a GSA Contract.
15. Federal Verification conducts or has conducted business through more than sixty (60) fictitious business names, including, but not limited to, "GSA Applications," "Tampa GSA," and "GSA Processors," and more than fifty (50) websites. A number of these fictitious businesses list their business addresses in Washington, D.C., Virginia, or Maryland. The business names used to solicit new customers change frequently. Customers report that they have experienced difficulty in connecting the numerous unregistered fictitious names used by the Company, while trying to avoid hiring Federal Verification, and have engaged a firm unbeknownst to them to be part of the Company's operations.

DEFENDANTS' COURSE OF CONDUCT

U.S. General Services Administration or GSA Affiliation

16. Since at least 2009 and at least within four (4) years prior to the filing of this action and continuing, Federal Verification and GSA 1000 have solicited and telemarketed

businesses to offer GSA application services. Telemarketers capture the attention of prospective customers by claiming to be calling from the GSA, or identifying themselves as affiliated with “GSA Promotional Division,” or stating or implying a relationship with the GSA, such as “I am working on a program for the federal government.” During these solicitation calls, salespersons ask if the business would benefit from a government contract and then offer them GSA Contracts.

17. In numerous instances, salespersons located in and calling from Oldsmar, Florida falsely identify their location as a Washington D.C., Virginia, or Maryland location to make the offer for a GSA Contract seem more legitimate. By way of example, “GAC Offices (DC)” identifies its address as 1777 I Street, Washington, D.C., and “United Procurement Specialists” identifies its address as 211 N. Union, Suite 100, Alexandria, VA. The company names are frequently changed and salespersons are assigned various aliases and business names to use when selling the services. Emails exchanged between salespersons and businesses contain signature blocks further identifying their title as a “Sr. Federal Procurement Specialist.”

18. Numerous websites, over time, have presented Federal Verification services, specifically including “GSA Preview” with logos similar to or at least likely to be confused with the federal government websites. They have been admonished by the GSA for these practices and directed to include a disclaimer on their websites and refrain from implying a relationship with a federal agency. Federal Verification is not part of or affiliated with the GSA.

False and Misleading Representations as to Customer’s Likelihood of Successfully
Obtaining a GSA Contract and Generating Revenues

19. Federal Verification and GSA 1000 aggressively sell GSA application services through a sales process typically consisting of two phases: (1) the qualifier call; and (2) the sales closer call and communications, including emails exchanged between the salespersons and the

businesses. Before the Company begins any work, the customer's payment information is collected to facilitate immediate charge to the customer's credit card or bank account.

20. The qualifiers initiate cold calls to businesses of all types. These cold calls often begin with the qualifiers identifying themselves as GSA, or stating that they are working for GSA or the U.S. government. Callers entice the business by asking if they would be interested in a GSA Contract to increase their revenues, sometimes stating that the average GSA Schedule holder earns \$2 million or more a year. The qualifiers make a very limited inquiry about the business stating they need to ask a few questions to see if the business is qualified. Typically, the qualifiers ask one or more questions, which may include: a) the length of time in business, b) whether revenues exceed \$25,000 for the past two years, c) whether the principals of the business have had any felony charges or have filed bankruptcy; and d) if the business has \$7,500 in its budget to get a GSA Contract. In numerous instances, only a few questions are asked by the qualifiers, so long as the business is asked if it can afford the \$7,500 fee. The qualifier assures the business representative that the business qualifies for a GSA Contract to encourage an appointment with a "GSA specialist" or a "procurement specialist." The qualifier sets the appointment with a person the qualifier identifies as an "expert" with all information to enable the business to make an informed decision on seeking a GSA Contract. The qualifiers may also state that they make sure the business is qualified before they begin the application. The qualifiers receive commission based compensation.

21. During the sales closer call and frequently in follow-up emails and communications, which are sent to businesses to encourage a sale, Federal Verification or GSA 1000 reaffirms that the business qualifies for a GSA Contract. Furthermore, the Company's salespersons make inaccurate claims as to the Company's expertise in obtaining awards for a

GSA Contract, and bold sales claims involving the likelihood of success regarding an award, misrepresentation of timing, potential revenues, GSA Contract term, and exclusivity, including, by way of example, misleading statements that:

- a. the Company has a 97%+ approval rate or a high success rate;
- b. almost all the Company's customers are awarded GSA Contracts;
- c. the business is guaranteed to get a contract; the business has a GSA Contract; or words of similar import;
- d. the Company submits applications to GSA in 30-to-60 days, 60-to-90 days, or some other fairly short time period; similar claims appear on websites, such as the time frame for submittal takes an average of "three to four weeks" for most small companies;
- e. the customer can or will get a GSA Contract in 30 days, 60 days, 90 days, three to four months; or six months depending on the salesperson or the day; similar website claims state a time frame of "two to four months" from submittal to GSA contract;
- f. the government guarantees the business will make money;
- g. the customer will make money, including even before all fees are paid, if the \$2,500 to \$12,000 fee is split over a few months;
- h. the customer will get a "20 year" GSA contract, guaranteed;
- i. the government rotates work among businesses so the customer will obtain a portion of business;
- j. there are only a few slots available;

- k. the Company makes sure the business is qualified to get on a GSA schedule before the Company would even start the application, and
- l. the Company will give the customer a business reference of another firm that has used their services;

Salespersons or procurement specialists who close the sale are paid a commission.

22. Federal Verification and GSA 1000 make false and misleading statements and cannot substantiate their bold claims; these false and misleading statements include, for example, the following:

- a. the 97%+ approval rate or a high approval rate is false, or misleading at best and cannot be substantiated, and, customers are led to believe that almost all the Company's customers obtain GSA Contracts when, in fact, this is not true;
- b. the time frame represented for GSA application submissions is false, or misleading at best and cannot be substantiated. The time frames promised are not typical for what customers can expect to experience as numerous customers have experienced submission times of several months or years, if at all. Federal Verification has acknowledged to the Attorney General investigators that it typically does not submit applications in 30-60 days or short time periods represented.
- c. the time frame represented for customers to obtain a GSA Contract, from thirty days to six months is false, or misleading at best and cannot be substantiated. The Company does not typically obtain contracts for the few businesses that secure them in the short time represented, nor does the GSA typically process offers in

such short time frame, due to backlogs at GSA which are known to the Company and have been acknowledged to the Attorney General investigators;

- d. the Company's guarantee of a contract is false and cannot be substantiated, as the GSA Contract is awarded by the U.S. government agency, despite assertions of the Company's affiliations or close connections with GSA;
- e. the promise of Government guarantees of a customer's revenues is misleading inasmuch as the GSA maintains certain specific revenue and reporting requirements for a business to remain a contract holder, which are not disclosed to customers;
- f. a GSA Contract is analogous to a license to do business and in and of itself does not result in award of actual government work and resulting revenues;
- g. GSA does not award 20-year contracts;
- h. GSA does not rotate business among suppliers; exclusive regions are not available;
- i. GSA does not limit suppliers, thus the number of available contract slots is not limited;
- j. statements that a business is qualified to obtain a GSA Contract are misleading and are made without a reasonable basis, without diligence, and without adequate disclosure of award requirements or regard as to customer's meaningful probability of an award;
- k. a business reference, once contacted for verification, has refuted any connection to the company or any firm having assisted them with federal contracting; and

1. Federal Verification and GSA 1000 fail to complete and submit applications to GSA for a substantial portion or an overwhelming majority of their customers. An award is not obtained for all customers whose applications are submitted, and the remaining claims are unable to be substantiated as representative of typical experiences a customer can expect.

Unfair Collection of Advance Fees Without Regard to Business Customer's
Meaningful Ability to Obtain Award of a GSA Contract

23. A volume of businesses that were solicited and sold services by the Company did not qualify for an award of a GSA Contract. Salespersons systematically told virtually all the businesses solicited that they would or could obtain a GSA Contract. These businesses were repeatedly assured that they are qualified and would get a GSA Contract by the Company's qualifiers and salespersons during calls and email communications sent to these businesses in an effort to induce the sale, regardless of the type of business or the products or services to be offered for sale to the U.S. government. Federal Verification and GSA 1000 collected and retained significant fees from customers when they knew or should have known that customers had little or no realistic chance of an award of a GSA Contract. By way of example, general construction contractors or home builders were among the businesses solicited and sold services, when Federal Verification and GSA 1000 knew or should have known that GSA Contracts are not awarded to businesses that offer such services. It was common knowledge within Federal Verification that construction contractors or home builders could not qualify for a GSA Contract. Federal Verification solicited these businesses, agreed to perform, and collected fees anyway.

24. Architecture firms, real estate inspectors, janitorial services, plumbing services, information technology services with less than three (3) years' business and financial statements, without limitation, are examples of other businesses unable to obtain a GSA Contract at all or

under extremely limited circumstances usually tied to offer of other products or services. With the exception of information technology, these types of products and services typically are not the kind the government purchases through a GSA schedule contract, if at all. A number of these types of businesses were manipulated into signing up for GSA application services and paying substantial fees after being given false hope of a GSA Contract.

25. As the Company promoted its purported expertise with GSA contracting, the Company knew or should have known that the U.S. government does not award a GSA Contract for these specific products or services. The culture of the Company is to continue selling to businesses on the prospect of a GSA Contract so they could collect the money based on willful failures to disclose and deliberate misrepresentations.

26. Numerous customers complained to the Attorney General and directly to Federal Verification and GSA 1000 that they have not (1) obtained a GSA Contract; or (2) even had GSA application documents submitted to the GSA for consideration, as represented by the Company it would occur in a matter of a few months. Many customers express great frustration with the failure of Federal Verification to timely and accurately prepare their application as promised, and to submit it to the GSA after several months to more than two (2) years since paying hefty fees. Customers report being deceived and scammed. In a number of instances, customers allege that they later learned from the GSA that they could not have qualified for a GSA Contract from the outset, even after being told by Federal Verification that they qualified for or would get a GSA Contract. Customers also claim that they were not told about key GSA Contract award requirements pertaining to their business or the type of products or services, and, if they had been told, they would not have pursued a GSA Contract or paid the fee. In many known instances, the Company failed to disclose to customers detailed requirements relating to

the number of documented sales transactions or other necessary documents until well into the process, and after the customer paid the fee. Thus the Company withheld and failed to disclose material information relevant to a customer's informed decision to engage the Company.

INDIVIDUAL DEFENDANT SPRECHER

27. Defendant Sprecher, at all material times hereto, has directly participated in the conduct of Federal Verification and GSA 1000 and the deceptive and unfair acts and practices alleged herein, and further orchestrated, collaborated, and facilitated an operation, which has enabled and facilitated collection of unfair advance fees from numerous businesses enticed to hire these companies for GSA application services on the basis of false or misleading statements, or omissions material to the decision to purchase the services and other unfair acts and practices. Sprecher has been the executive manager and person in control of the operations of Federal Verification and GSA 1000 since at least 2009. Sprecher has the responsibility for hiring and firing the Company's personnel, making key business decisions, approving of advertising, sales claims, sales scripts or instructions, approving of the Company's policies regarding advertising, sales and specifically including sales to businesses which do not qualify to obtain a GSA Contract, billing, customer service, refund policies, and website content for Federal Verification and GSA 1000. Sprecher is identified as a signatory on the Company's bank account in September 2009 and is identified on another Company account as a director in June 2010.

28. Sprecher and a Federal Verification employee have met with the Attorney General's staff. A number of sales representations identified herein were discussed as deceptive and unsubstantiated, specifically, the success claims, therefore putting each person on actual notice that the sales claims are deceptive, but the same or similar claims continued.

29. At all times material hereto, Defendant Sprecher directly participated in the deceptive and unfair conduct of Defendants, Federal Verification and GSA 1000, alleged herein, or directed or controlled the practices and policies of Defendants, Federal Verification and GSA 1000, and had actual or constructive knowledge of the acts and practices alleged herein or exercised a reckless indifference to the conduct of these Defendants as alleged herein.

DECEPTIVE AND UNFAIR TRADE PRACTICES
CONDUCT VIOLATING CHAPTER 501, PART II, FLORIDA STATUTES

30. The Attorney General sues Defendants and alleges:

31. Paragraphs 1 through 29 are hereby realleged and incorporated herein by reference, as if fully set forth below.

32. As set forth in paragraphs 1 through 29 above, at all times material, but at least within four (4) years prior to the filing of the Complaint and continuing to the present, Defendants, Federal Verification, GSA 1000, and Sprecher, have engaged in and facilitated a pattern and practice of telemarketing and marketing, offering GSA application services, and Defendants, Federal Verification and GSA 1000, by and through at least dozens of fictitious business names and websites have represented, directly or indirectly, expressly or by implication, that businesses qualify for an award of a GSA Contract and by paying significant advance fees for Defendants' services, businesses will be able to obtain an award of a GSA Contract and generate revenues as a result thereof. Defendants further state that a business is qualified for a GSA Contract without having a reasonable basis for making such a statement and without diligent review and inquiry before unfairly collecting significant advance fees. In truth and fact, in numerous instances in which Defendants, Federal Verification and GSA 1000, have made representations as set forth herein in this paragraph and specifically paragraphs 13, 20, 21, 25, 26 businesses do not qualify for a GSA Contract and, by purchasing Defendants' services, the

businesses are not able to obtain a GSA Contract. In addition, Defendants made or assisted others in making material false statements and misrepresentations to businesses as to their likelihood of success in obtaining a GSA Contract and generating revenues, which led them to engage Defendants to perform the application services. Defendants' representations that businesses qualified and were likely to obtain a GSA Contract are false and misleading and constitute deceptive acts and practices in violation of Section 501.204, Florida Statutes. Thereby, Defendants have committed and are committing acts or practices in trade or commerce which shock the conscience, have engaged in or are engaging in representations, acts, practices, or omissions in trade or commerce which are material and which are likely to mislead consumers acting reasonably under the circumstances; and have engaged in or are engaging in acts or practices that are likely to cause substantial injury to consumers which are not reasonably avoidable by consumers themselves or outweighed by countervailing benefits to consumers or competition. Thus, Defendants have engaged in and continue to engage in unfair, or deceptive or unconscionable acts or practices in the conduct of any trade or commerce in violation of Section 501.204(1), Florida Statutes.

33. Defendants willfully engaged in and continue to engage in deceptive and unfair acts and practices in that Defendants knew or should have known that the methods, acts or practices alleged herein were and are unfair, or deceptive, or unconscionable or prohibited by law. Defendants knew or should have known the offending practices alleged herein were deceptive, including through being advised of such by the Attorney General, through receiving transmission of numerous complaints and supporting documentation from the Attorney General, through receiving correspondence from the GSA including documentation rejecting customer offers as not qualified for a GSA Contract, and Defendants' own employees acknowledging

before Defendants' managers, including Sprecher, that (1) customers' offers to obtain an award of a GSA Contract are not typically submitted to GSA within 30-60 days or the short time represented; and (2) GSA typically does not approve and award a GSA Contract within a few months, or within six (6) months after an offer is submitted, as often GSA has backlogs. Despite such acknowledgments, the representations or similar continued to be made by Federal Verification or GSA 1000.

34. As set forth above and in paragraphs 1 through 29, and paragraphs 31, 32, and 33 herein, Defendants have engaged in deceptive and unfair acts and practices in trade or commerce, in violation of Section 501.204(1), Florida Statutes.

35. Unless Defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs, respectfully requests this Court to:

1. Grant a temporary and permanent injunction against Defendants and their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this injunction, prohibiting such persons from, as specifically alleged above and any similar acts and practices and specifically enjoining Defendants, as follows:

A. Prohibiting Defendants from telemarketing or soliciting and directly or indirectly engaging new customers until further Order of this Court; and

B. Prohibiting Defendants from destroying, mutilating, concealing, altering, transferring, conveying, encumbering, or disposing of, in any manner, any property or information which has any connection to the operations of Defendants.

2. Appoint a temporary receiver for Defendants, Federal Verification Co., Inc. and GSA 1000, LLC, pursuant to Section 501.207(3), Florida Statutes, until further Order of the Court, to enable the temporary receiver to submit a preliminary report on Defendants' operations to the Court; or, in the alternative, appoint a monitor to report on Defendants' operations until further Order of the Court or for a thirty (30) day period, or such time period set by the Court to enable the monitor to submit a preliminary report to the Court.

3. Award such equitable or other relief as is just and appropriate pursuant to Section 501.207(3), Florida Statutes, including but not limited to restitution to customers, in accordance with Section 501.207(3), Florida Statutes.

4. Award disgorgement of all revenues and all interest or proceeds derived therefrom by Defendants as a result of transactions with customers, generated as a result of the unconscionable, unfair, or deceptive practices as set forth in this complaint, to be paid to the Attorney General for deposit into the General Revenue Fund.

5. Assess against Defendants civil penalties in the amount of Ten Thousand Dollars (\$10,000.00) pursuant to Section 501.2075, Florida Statutes, or Fifteen Thousand Dollars (\$15,000.00) in cases involving senior citizens or handicapped persons, pursuant to Section 501.2077(2), Florida Statutes, for each violation of Chapter 501, Part II, Florida Statutes.

6. Impose reasonable restrictions on the future activities of Defendants.

7. Award costs to Plaintiff for all expenses in bringing and maintaining this action, including reasonable attorney's fees pursuant to Sections 501.2105 and 501.2075, Florida Statutes.

8. Waive the posting of a bond by Plaintiff in this action.

9. Grant such other and further relief as this Honorable Court deems just and proper, including, but not limited to, all other relief allowable under Section 501.207(3), Florida Statutes.

Respectfully submitted,

PAMELA JO BONDI
ATTORNEY GENERAL

/s/ Julia A. Harris

JULIA A. HARRIS
SENIOR ASSISTANT ATTORNEY GENERAL
Florida Bar No. 884235
Office of the Attorney General
Department of Legal Affairs
3507 East Frontage Road, Suite 325
Tampa, Florida 33607
(813) 287-7950
(813) 281-5515 (facsimile)
Julia.Harris@myfloridalegal.com

To: Rachel Murdock, via email to Rachel.Murdock@GSA.gov

From: James D. Sprecher, email: jim@thelewgroup.com

Date: October 27, 2015

Re: Response to Notice of Suspension of James D. Sprecher

Background

Federal Verification has for a number of years processed FFS applications for small and medium size businesses who wish to do business with the U.S. General Services Administration or related agencies. Beginning in 2010, Federal Verification's business operations became adversely affected by tortious interference from multiple competitors and ultimately a lengthy investigation by the Florida Attorney General's office, both of which have created negative publicity for Federal Verification. After a four-year investigation and Federal Verification's rejection of several patently unreasonable and unworkable settlement proposals, the Florida Attorney General filed a civil action against the Federal Verification in November 2014 in Pinellas County Circuit Court alleging deceptive trade practices in the solicitation of customers and sought restitution for approximately 200 alleged complainants (the "AG Lawsuit"). The vast majority of these complainants were in fact driven to file complaints with the Florida Attorney General's office by competitor telephone calls, webinars, blogs and direct email campaigns.

These are not subjective allegations in as much as a temporary injunction against one of these competitors and several former employees was issued by the Circuit Court of Pinellas County, Florida on November 21, 2013. (See exhibit A) Even in the face of an Injunction, this competitor, who affirmatively represents his claimed close relationship with the Florida Attorney General's office, was later found in contempt of the initial Injunction. (See exhibit B). Even with a concerted, multi-year multimedia campaign in effect, only a very small percentage of the Federal Verification's thousands of customers over the period of this campaign and investigation ever filed complaints. Furthermore, those complaints that were filed with the Florida Attorney General's office, with only few exceptions, addressed primarily issues associated with GSA schedule refreshes, delays in the review of submitted applications and changes and revisions in schedules and Special Item Numbers during processing. While these are certainly substantial issues, they are not issues that Federal Verification had any control over.

Notice of Suspension

It should be noted that James Sprecher has not at any time in the past and is not currently a federal or state contract holder of either procurement or non-procurement contracts. Since a suspension action is based on a the present responsibility of a government "contractor" or "subcontractor" to provided contracted products or services, the lack of that status by Mr. Sprecher would preclude any suspension action at this time.

The notice of suspension states that the sole basis for this action were allegations made by the Florida Attorney General in a civil complaint filed in November, 2014 against Federal Verification Co., Inc. in which James Sprecher was named as an individual Defendant. A copy of this complaint was provided as the entire record used for the basis of the Sprecher notice of suspension. It should be noted that this document contains only unsworn and unverified allegations of facts which are wholly unsupported by any evidence or other documentation whatsoever.

The notice of suspension concludes that based only on the unsupported allegations made in the Florida Attorney General's civil complaint that James Sprecher made material false statements and representations to businesses and that he therefore engaged in deceptive and unfair acts or practices. The notice goes on to conclude that based on the civil complaint allegations that Sprecher "owns and controls Federal Verification Co., Inc." (FVC). The complaint, even if accepted as true, reflects that in fact Mr. Sprecher did not ever personally make any false representation to anyone and even more importantly he is not alleged anywhere in the civil complaint to own FVC. (See exhibit C)

The Record

Paragraphs 27 and 29 of the attached civil complaint alleges only that Mr. Sprecher was an executive manager of FVC, was in control of some aspects of the FVC's business and had actual or constructive knowledge of some of the alleged unfair trade practices. The complaint does not allege Mr. Sprecher, ever individually engaged in such acts or instructed that any unfair trade practice be used in the sales process. Therefore, the record in this matter is devoid of any evidence or even an allegation that Sprecher owns FVC. Accordingly, the conclusion in the notice of suspension that Mr. Sprecher owns FVC is wholly unsupported by the record in this matter. In addition, the attached Answer and Affirmative Defenses of the Defendant's in this action shows that each of these allegations was denied. (See exhibit D)

The absurdity of most, if not all of the specific allegations concerning the Federal Verification sales process and the FSS application process can be shown by an examination of the disclosures made by FVC in the written application assistance agreement which are signed at the time of sale by each of the thousands of FVC's clients. The complaint alleges that FVC directly or indirectly, expressly or by implication represented that a business is qualified for a GSA contract without having a reasonable basis for such statement and without diligent review and inquiry before collecting fees.

Based on the following statements, disclosures and representations contained in the attached agreement, at a bare minimum, a question of fact is presented in regard to the non-specific, conclusory allegations made by the Florida Attorney General's office. (See Exhibit E) In pertinent parts, the agreement contains the following statements all of which are in derogation of the allegation contained in the complaint:

1. The proposed applicant agrees to promptly provide GSA Application Services with all data and information required or necessary to apply to become a GSA contractor. This information will include providing client references to obtain a Dun & Bradstreet Open Rating's survey of past performance, price lists, recent invoices, project experience (service Schedules), financial statements and vendor information including letters of supply.
2. GSA Application Services does not assume any liability for denial of GSA contractor status due to incorrect, omitted, or incomplete information or data provided by the proposed applicant or any denial based on the applicant's financial condition or business history.
3. It is acknowledged by the proposed applicant that it has been in business for at least a two (2) year period and that the applicant's most recent year's sales exceed twenty five thousand dollars (\$25,000.00) for the products or services to be included in the application.
4. It is represented that any products proposed to be included in the GSA Schedule application are sourced within the United States unless otherwise noted.
5. It is acknowledged that GSA frequently requests that additional or supplementary information and data be provided during the application review process and that such requests must be fully complied with by the applicant on a timely basis.
6. If for any reason an application cannot be submitted to GSA or is otherwise denied by GSA for any reason, the proposed applicant's fee shall be applied to the cost of a full-page advertisement listing in the GSA Application Services' Nationwide Guide.
7. It is acknowledged that the applicant's principals or owners are not presently debarred from the award of federal contracts, and have not within a three year period been convicted, indicted, or had a judgment entered against them for fraud, embezzlement, theft, misrepresentation, tax evasion or any other economic criminal offense or filed for bankruptcy protection.
8. There are no oral agreements, understandings or representations made by either party that are outside of this agreement unless they are expressly set forth herein.

In addition, to these disclosures, in most cases, written confirmation of Schedule and Special Item Number selection is obtained from clients. Further the client is provided a written summary of the application process. (See Exhibits F and G)

Unfortunately, the Florida Attorney General's lack of knowledge and experience in regard to the preparation, submission, review and award of FSS contracts to businesses lead to the additional allegations that were made in the complaint regarding the potential length of a GSA

Schedule contract and offer of a “guaranteed return on investment”. There is, in fact, a written guarantee contained in the terms of the written agreement which states as follows, “The parties acknowledge that if a GSA contract is awarded to the applicant that GSA agrees to order a minimum of \$2,500 during the term of the contract. Under GSA regulations, if a contractor receives total orders in an amount less than \$2,500 during the term of the contract, GSA will pay the difference between the amount ordered and \$2,500 minimum. GSA Application Services agrees that if a contract is awarded to the applicant and the contractor receives total orders during the five year term of the contract awarded by GSA in an amount less than the amount paid to GSA Application Services for application assistance, that it will pay to the contractor, the difference between the \$2,500 minimum guaranteed under the GSA contract and the cost of the application assistance up to a maximum amount of \$2,500. This guarantee does not apply if the contract is terminated by GSA for cause or if the contract is canceled by the contractor.”

Under I-FSS-106 (Guaranteed Minimum), if a contractor receives total orders in an amount less than \$2,500 during the term of the contract, GSA will pay the difference between the amount ordered and \$2,500 minimum. (See Exhibit H) The above referenced language in the agreement states that if a contract is awarded to the applicant and the contractor receives total orders during the five year term of the contract awarded by GSA in an amount less than the amount paid to Federal Verification for application assistance; that, it will pay to the contractor, the difference between the \$2,500 minimum guaranteed under the GSA contract and the cost of the application assistance up to a maximum amount of \$2,500.

Furthermore, the contract also discloses that a GSA contract is generally for a five-year period. Unfortunately, the Florida Attorney General’s failed to discover that GSA contracts can be extended by application for up to three additional five-year periods. It is certainly not misleading to say that a GSA contract can exist for a twenty-year period. While it is not inconceivable that one or more of these issues might be disputed, it is not conceivable that these issues show the presence of many disputed issues of facts in this matter.

Florida Attorney General Investigation

Unfortunately, during the over five year period of the Florida Attorney General’s investigation and after their review of scores of individual files and alleged complaint’s, the position was taken by the Attorney General’s offices that it was possible with near certainty to ascertain prior to any services being rendered, whether a potential FSS applicant would be ultimately awarded a GSA contract. It was repeatedly explained that the evaluation of potential vendor solicitations submitted to GSA or VA were to a considerable extent based on a number of subjective factors and evolving conditions and circumstances which precluded any guarantee of the award of any contract. It was further explained that it was not uncommon for schedules and schedule requirement to change significantly even during the application and evaluation process.

Based on this erroneous and unsubstantiated judgment, the Florida Attorney General's office consistently took the position throughout its investigation that any fees charged for FSS application services should be at least in most cases dependent on the ultimate award of a contract. In other words, the Florida Attorney General decided that many hours of work should be invested in preparing and submitting a solicitation and if for any reason, a contracting officer declined to award a contract for any reason, a fee should not be charged; or if charged, it should be returned. The Florida Attorney General absurdly called this "unfairly collecting significant advance fees." Just as an attorney cannot guarantee a client will win a lawsuit, no applicant can be guaranteed a specific decision on a solicitation submitted to GSA. As the attached sample assistance agreement shows (Exhibit E), the risk that an application might be rejected for various reasons was clearly disclosed in writing to all customers.

Florida Attorney General Complaints citing General Service Administration review delay, FSS schedule changes, Refreshes and Rejections

In addition to the competitor multi-media campaign, which was indirectly, if not directly supported by the Florida Attorney General's office, another significant factor which played into the competitor's media campaign narrative was the rapidly changing landscape within GSA regarding schedule processing and FSS application requirements. Some examples of these issues are the addition and deletion of various schedules and Special Item Numbers within Schedules, significantly increasing review times, inconsistent standards and requirements in some schedules, inconsistent standards applied to similar applications, increased rejections based on vague or ambiguous reasons or reasons not contained in the schedule requirements. Our clients have been much easier to convince to file attorney general complaints when their applications have languished for a year or more with the contract review officer. In one instance, a client's application has been held without a completed review for a four-year period. In another instance, a client's application was rejected only because it had not been reviewed after several years. Needless to say, this does not assist us in maintaining good relationships with these clients and again feeds into the narrative our competitors and the Florida Attorney have invented.

Conclusion

As partially referenced above, Federal Verification filed a number of lawsuits to stem the interference with its established client relationships which resulted in many customers being directly solicited to file complaints with the Florida Attorney General. Two clients indicated that one of these competitors even represented itself as being associated with the Florida Attorney General's office. Predictably, once enough complaints had been obtained for the Florida Attorney General to begin an investigation, these competitors spread that information through various forms of social media and mass email campaigns using in part contact information data downloaded directly from the System for Awards Management database. Accordingly, these emails soliciting complaints reached numerous FVC clients, some of which filed complaints.

This had the effect of creating a self-fulfilling prophecy since the existence of the investigation was used to legitimize the lies and misstatements used by the competitors to continue to generate additional complaints to the Florida Attorney General. Federal Verification has had numerous meetings with the Attorney General's office over the past four years in an effort to resolve the alleged complaints. Unfortunately, these efforts did not slow the continuing onslaught of negative emails, blogs and websites against the Federal Verification even after the presence of an injunction and court orders against this illegal conduct. Despite Federal Verification's attempts to enter into a consent decree resolving the lengthy investigation, the Attorney General's office chose to commence a state court civil action, and has continued to prosecute the action to this day.

This information as documented in the attached exhibits clearly demonstrate at a minimum substantial and important issues of fact in regard to the unsubstantiated allegations of the state civil court complaint filed by the Florida Attorney General's office which is the extent of the record in this matter and therefore requires a hearing on this issues on which this suspension was based.

Respectfully submitted,

James D. Sprecher